

CHAPTER 174

APPROPRIATIONS — HEALTH AND HUMAN SERVICES

H.F. 653

AN ACT relating to appropriations for health and human services and veterans and including other related provisions and appropriations, providing penalties, and including effective date and retroactive and other applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I

DEPARTMENT ON AGING — FY 2017-2018

Section 1. DEPARTMENT ON AGING. There is appropriated from the general fund of the state to the department on aging for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For aging programs for the department on aging and area agencies on aging to provide citizens of Iowa who are 60 years of age and older with case management for frail elders, Iowa’s aging and disabilities resource center, and other services which may include but are not limited to adult day services, respite care, chore services, information and assistance, and material aid, for information and options counseling for persons with disabilities who are 18 years of age or older, and for salaries, support, administration, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	11,042,476
.....	FTEs	27.00

1. Funds appropriated in this section may be used to supplement federal funds under federal regulations. To receive funds appropriated in this section, a local area agency on aging shall match the funds with moneys from other sources according to rules adopted by the department. Funds appropriated in this section may be used for elderly services not specifically enumerated in this section only if approved by an area agency on aging for provision of the service within the area.

2. Of the funds appropriated in this section, \$279,946 is transferred to the economic development authority for the Iowa commission on volunteer services to be used for the retired and senior volunteer program.

3. a. The department on aging shall establish and enforce procedures relating to expenditure of state and federal funds by area agencies on aging that require compliance with both state and federal laws, rules, and regulations, including but not limited to all of the following:

(1) Requiring that expenditures are incurred only for goods or services received or performed prior to the end of the fiscal period designated for use of the funds.

(2) Prohibiting prepayment for goods or services not received or performed prior to the end of the fiscal period designated for use of the funds.

(3) Prohibiting the prepayment for goods or services not defined specifically by good or service, time period, or recipient.

(4) Prohibiting the establishment of accounts from which future goods or services which are not defined specifically by good or service, time period, or recipient, may be purchased.

b. The procedures shall provide that if any funds are expended in a manner that is not in compliance with the procedures and applicable federal and state laws, rules, and regulations, and are subsequently subject to repayment, the area agency on aging expending such funds in contravention of such procedures, laws, rules and regulations, not the state, shall be liable for such repayment.

4. Of the funds appropriated in this section, at least \$250,000 shall be used to fund the unmet needs identified through Iowa’s aging and disability resource center network.

5. Of the funds appropriated in this section, at least \$600,000 shall be used to fund home and community-based services through the area agencies on aging that enable older

individuals to avoid more costly utilization of residential or institutional services and remain in their own homes.

6. Of the funds appropriated in this section, \$812,537 shall be used for the purposes of [chapter 231E](#) and [section 231.56A](#), of which \$350,000 shall be used for the office of substitute decision maker pursuant to [chapter 231E](#), and the remainder shall be distributed equally to the area agencies on aging to administer the prevention of elder abuse, neglect, and exploitation program pursuant to [section 231.56A](#), in accordance with the requirements of the federal Older Americans Act of 1965, 42 U.S.C. §3001 et seq., as amended.

7. Of the funds appropriated in this section, \$750,000 shall be used to fund continuation of the aging and disability resource center lifelong links to provide individuals and caregivers with information and services to plan for and maintain independence.

8. Notwithstanding [section 8.39](#), for the fiscal year beginning July 1, 2017, the department may transfer funds within or between the allocations made in this division of this Act for the same fiscal year in accordance with departmental priorities. The department shall report any such transfers to the individuals specified in this Act for submission of reports. This subsection shall not be construed to prohibit the use of existing state transfer authority for other purposes.

DIVISION II
OFFICE OF LONG-TERM CARE OMBUDSMAN — FY 2017-2018

Sec. 2. OFFICE OF LONG-TERM CARE OMBUDSMAN. There is appropriated from the general fund of the state to the office of long-term care ombudsman for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, administration, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

	\$	1,160,281
	FTEs	16.00

DIVISION III
DEPARTMENT OF PUBLIC HEALTH — FY 2017-2018

Sec. 3. DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the general fund of the state to the department of public health for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADDICTIVE DISORDERS

For reducing the prevalence of the use of tobacco, alcohol, and other drugs, and treating individuals affected by addictive behaviors, including gambling, and for not more than the following full-time equivalent positions:

	\$	24,985,831
	FTEs	10.00

a. (1) Of the funds appropriated in this subsection, \$4,021,225 shall be used for the tobacco use prevention and control initiative, including efforts at the state and local levels, as provided in [chapter 142A](#). The commission on tobacco use prevention and control established pursuant to [section 142A.3](#) shall advise the director of public health in prioritizing funding needs and the allocation of moneys appropriated for the programs and initiatives. Activities of the programs and initiatives shall be in alignment with the United States centers for disease control and prevention best practices for comprehensive tobacco control programs that include the goals of preventing youth initiation of tobacco usage, reducing exposure to secondhand smoke, and promotion of tobacco cessation. To maximize resources, the department shall determine if third-party sources are available to instead provide nicotine replacement products to an applicant prior to provision of such products to an applicant under the initiative. The department shall track and report to the individuals specified in this Act, any reduction in the provision of nicotine replacement products realized by the initiative through implementation of the prerequisite screening.

(2) (a) The department shall collaborate with the alcoholic beverages division of the department of commerce for enforcement of tobacco laws, regulations, and ordinances and to engage in tobacco control activities approved by the division of tobacco use prevention and control of the department of public health as specified in the memorandum of understanding entered into between the divisions.

(b) For the fiscal year beginning July 1, 2017, and ending June 30, 2018, the terms of the memorandum of understanding, entered into between the division of tobacco use prevention and control of the department of public health and the alcoholic beverages division of the department of commerce, governing compliance checks conducted to ensure licensed retail tobacco outlet conformity with tobacco laws, regulations, and ordinances relating to persons under 18 years of age, shall continue to restrict the number of such checks to one check per retail outlet, and one additional check for any retail outlet found to be in violation during the first check.

b. Of the funds appropriated in this subsection, \$20,964,606 shall be used for problem gambling and substance-related disorder prevention, treatment, and recovery services, including a 24-hour helpline, public information resources, professional training, youth prevention, and program evaluation.

c. The requirement of [section 123.17, subsection 5](#), is met by the appropriations and allocations made in this division of this Act for purposes of substance-related disorder treatment and addictive disorders for the fiscal year beginning July 1, 2017.

2. HEALTHY CHILDREN AND FAMILIES

For promoting the optimum health status for children, adolescents from birth through 21 years of age, and families, and for not more than the following full-time equivalent positions:

.....	\$	5,325,632
.....	FTEs	12.00

a. Of the funds appropriated in this subsection, not more than \$734,841 shall be used for the healthy opportunities for parents to experience success (HOPES)-healthy families Iowa (HFI) program established pursuant to [section 135.106](#). The funding shall be distributed to renew the grants that were provided to the grantees that operated the program during the fiscal year ending June 30, 2017.

b. In order to implement the legislative intent stated in sections [135.106](#) and [256I.9](#), that priority for home visitation program funding be given to programs using evidence-based or promising models for home visitation, it is the intent of the general assembly to phase in the funding priority in accordance with [2012 Iowa Acts, chapter 1133, section 2, subsection 2, paragraph "0b"](#).

c. Of the funds appropriated in this subsection, \$3,075,101 shall be used for continuation of the department's initiative to provide for adequate developmental surveillance and screening during a child's first five years. The funds shall be used first to fully fund the current sites to ensure that the sites are fully operational, with the remaining funds to be used for expansion to additional sites. The full implementation and expansion shall include enhancing the scope of the initiative through collaboration with the child health specialty clinics to promote healthy child development through early identification and response to both biomedical and social determinants of healthy development; by monitoring child health metrics to inform practice, document long-term health impacts and savings, and provide for continuous improvement through training, education, and evaluation; and by providing for practitioner consultation particularly for children with behavioral conditions and needs. The department of public health shall also collaborate with the Iowa Medicaid enterprise and the child health specialty clinics to integrate the activities of the first five initiative into the establishment of patient-centered medical homes, community utilities, accountable care organizations, and other integrated care models developed to improve health quality and population health while reducing health care costs. To the maximum extent possible, funding allocated in this paragraph shall be utilized as matching funds for medical assistance program reimbursement.

d. Of the funds appropriated in this subsection, \$64,640 shall be distributed to a statewide dental carrier to provide funds to continue the donated dental services program patterned after the projects developed by the lifeline network to provide dental services to indigent individuals who are elderly or with disabilities.

e. Of the funds appropriated in this subsection, \$156,482 shall be used to provide audiological services and hearing aids for children. The department may enter into a contract to administer this paragraph.

f. Of the funds appropriated in this subsection, \$23,000 is transferred to the university of Iowa college of dentistry for provision of primary dental services to children. State funds shall be matched on a dollar-for-dollar basis. The university of Iowa college of dentistry shall coordinate efforts with the department of public health, bureau of oral and health delivery systems, to provide dental care to underserved populations throughout the state.

g. Of the funds appropriated in this subsection, \$50,000 shall be used to address youth suicide prevention.

h. Of the funds appropriated in this subsection, \$40,511 shall be used to support the Iowa effort to address the survey of children who experience adverse childhood experiences known as ACEs.

i. The department of public health shall continue to administer the program to assist parents in this state with costs resulting from the death of a child in accordance with the provisions of [2014 Iowa Acts, chapter 1140, section 22, subsection 12](#).

3. CHRONIC CONDITIONS

For serving individuals identified as having chronic conditions or special health care needs, and for not more than the following full-time equivalent positions:

.....	\$	4,170,750
.....	FTEs	5.00

a. Of the funds appropriated in this subsection, \$153,755 shall be used for grants to individual patients who have an inherited metabolic disorder to assist with the costs of medically necessary foods and formula.

b. Of the funds appropriated in this subsection, \$1,020,794 shall be used for the brain injury services program pursuant to [section 135.22B](#), including for contracting with an existing nationally affiliated and statewide organization whose purpose is to educate, serve, and support Iowans with brain injury and their families for resource facilitator services in accordance with [section 135.22B, subsection 9](#), and for contracting to enhance brain injury training and recruitment of service providers on a statewide basis. Of the amount allocated in this paragraph, \$95,000 shall be used to fund one full-time equivalent position to serve as the state brain injury services program manager.

c. Of the funds appropriated in this subsection, \$144,097 shall be used for the public purpose of continuing to contract with an existing national-affiliated organization to provide education, client-centered programs, and client and family support for people living with epilepsy and their families. The amount allocated in this paragraph in excess of \$100,000 shall be matched dollar-for-dollar by the organization specified.

d. Of the funds appropriated in this subsection, \$809,550 shall be used for child health specialty clinics.

e. Of the funds appropriated in this subsection, \$384,552 shall be used by the regional autism assistance program established pursuant to [section 256.35](#), and administered by the child health specialty clinic located at the university of Iowa hospitals and clinics. The funds shall be used to enhance interagency collaboration and coordination of educational, medical, and other human services for persons with autism, their families, and providers of services, including delivering regionalized services of care coordination, family navigation, and integration of services through the statewide system of regional child health specialty clinics and fulfilling other requirements as specified in [chapter 225D](#). The university of Iowa shall not receive funds allocated under this paragraph for indirect costs associated with the regional autism assistance program.

f. Of the funds appropriated in this subsection, \$577,375 shall be used for the comprehensive cancer control program to reduce the burden of cancer in Iowa through prevention, early detection, effective treatment, and ensuring quality of life. Of the funds allocated in this paragraph "f", \$150,000 shall be used to support a melanoma research symposium, a melanoma biorepository and registry, basic and translational melanoma research, and clinical trials.

g. Of the funds appropriated in this subsection, \$97,532 shall be used for cervical and colon cancer screening, and \$177,720 shall be used to enhance the capacity of the cervical

cancer screening program to include provision of recommended prevention and early detection measures to a broader range of low-income women.

h. Of the funds appropriated in this subsection, \$506,355 shall be used for the center for congenital and inherited disorders.

i. Of the funds appropriated in this subsection, \$215,263 shall be used by the department of public health for reform-related activities, including but not limited to facilitation of communication to stakeholders at the state and local level, administering the patient-centered health advisory council pursuant to [section 135.159](#), and involvement in health care system innovation activities occurring across the state.

j. Of the funds appropriated in this subsection, \$22,100 shall be used for administration of [chapter 124D](#), the medical cannabidiol Act.

4. COMMUNITY CAPACITY

For strengthening the health care delivery system at the local level, and for not more than the following full-time equivalent positions:

.....	\$	2,907,776
.....	FTEs	13.00

a. Of the funds appropriated in this subsection, \$95,575 is allocated for continuation of the child vision screening program implemented through the university of Iowa hospitals and clinics in collaboration with early childhood Iowa areas. The program shall submit a report to the individuals identified in this Act for submission of reports regarding the use of funds allocated under this paragraph "a". The report shall include the objectives and results for the program year including the target population and how the funds allocated assisted the program in meeting the objectives; the number, age, and location within the state of individuals served; the type of services provided to the individuals served; the distribution of funds based on service provided; and the continuing needs of the program.

b. Of the funds appropriated in this subsection, \$105,656 is allocated for continuation of an initiative implemented at the university of Iowa to expand and improve the workforce engaged in mental health treatment and services. The initiative shall receive input from the university of Iowa, the department of human services, the department of public health, and the mental health and disability services commission to address the focus of the initiative.

c. Of the funds appropriated in this section, \$83,315 shall be deposited in the governmental public health system fund created in [section 135A.8](#) to be used for the purposes of the fund.

d. Of the funds appropriated in this subsection, \$48,069 shall be used for a grant to a statewide association of psychologists that is affiliated with the American psychological association to be used for continuation of a program to rotate intern psychologists in placements in urban and rural mental health professional shortage areas, as defined in [section 135.180](#).

e. Of the funds appropriated in this subsection, the following amounts are allocated to be used as follows to support the Iowa collaborative safety net provider network goals of increased access, health system integration, and engagement:

(1) Not less than \$521,863 is allocated to the Iowa prescription drug corporation for continuation of the pharmaceutical infrastructure for safety net providers as described in [2007 Iowa Acts, chapter 218, section 108](#), and for the prescription drug donation repository program created in [chapter 135M](#).

(2) Not less than \$334,870 is allocated to free clinics and free clinics of Iowa for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in securing a medical home inclusive of oral health care.

(3) Not less than \$25,000 is allocated to the Iowa association of rural health clinics for necessary infrastructure and service delivery transformation.

(4) Not less than \$100,000 is allocated to the Polk county medical society for continuation of the safety net provider patient access to a specialty health care initiative as described in [2007 Iowa Acts, chapter 218, section 109](#).

f. Of the funds appropriated in this subsection, \$76,231 shall be used by the department in implementing the recommendations in the final report submitted by the direct care worker advisory council to the governor and the general assembly in March 2012, including by continuing to develop, promote, and make available on a statewide basis the prepare-to-care core curriculum and its associated modules and specialties through various formats including

online access, community colleges, and other venues; exploring new and maintaining existing specialties including but not limited to oral health and dementia care; supporting instructor training; and assessing and making recommendations concerning the Iowa care book and information technology systems and infrastructure uses and needs.

g. Of the funds appropriated in this subsection, \$191,188 shall be allocated for continuation of the contract with an independent statewide direct care worker organization previously selected through a request for proposals process. The contract shall continue to include performance and outcomes measures, and shall continue to allow the contractor to use a portion of the funds received under the contract to collect data to determine results based on the performance and outcomes measures.

h. Of the funds appropriated in this subsection, the department may use up to \$58,175 for up to one full-time equivalent position to administer the volunteer health care provider program pursuant to [section 135.24](#).

i. Of the funds appropriated in this subsection, \$96,138 shall be used for a matching dental education loan repayment program to be allocated to a dental nonprofit health service corporation to continue to develop the criteria and implement the loan repayment program.

j. Of the funds appropriated in this subsection, \$52,911 is transferred to the college student aid commission for deposit in the rural Iowa primary care trust fund created in [section 261.113](#) to be used for the purposes of the fund.

k. Of the funds appropriated in this subsection, \$150,000 shall be used for the purposes of the Iowa donor registry as specified in [section 142C.18](#).

l. Of the funds appropriated in this subsection, \$96,138 shall be used for continuation of a grant to a nationally affiliated volunteer eye organization that has an established program for children and adults and that is solely dedicated to preserving sight and preventing blindness through education, nationally certified vision screening and training, and community and patient service programs. The organization shall submit a report to the individuals identified in this Act for submission of reports regarding the use of funds allocated under this paragraph "l". The report shall include the objectives and results for the program year including the target population and how the funds allocated assisted the program in meeting the objectives; the number, age, and location within the state of individuals served; the type of services provided to the individuals served; the distribution of funds based on services provided; and the continuing needs of the program.

5. ESSENTIAL PUBLIC HEALTH SERVICES

To provide public health services that reduce risks and invest in promoting and protecting good health over the course of a lifetime with a priority given to older Iowans and vulnerable populations:

..... \$ 8,197,878

6. INFECTIOUS DISEASES

For reducing the incidence and prevalence of communicable diseases, and for not more than the following full-time equivalent positions:

..... \$ 1,646,426

..... FTEs 4.00

7. PUBLIC PROTECTION

For protecting the health and safety of the public through establishing standards and enforcing regulations, and for not more than the following full-time equivalent positions:

..... \$ 4,195,139

..... FTEs 138.00

a. Of the funds appropriated in this subsection, not more than \$304,700 shall be credited to the emergency medical services fund created in [section 135.25](#). Moneys in the emergency medical services fund are appropriated to the department to be used for the purposes of the fund.

b. Of the funds appropriated in this subsection, up to \$243,260 shall be used for sexual violence prevention programming through a statewide organization representing programs serving victims of sexual violence through the department's sexual violence prevention program, and for continuation of a training program for sexual assault response team (SART) members, including representatives of law enforcement, victim advocates, prosecutors, and certified medical personnel. The amount allocated in this paragraph "b" shall not be used

to supplant funding administered for other sexual violence prevention or victims assistance programs.

c. Of the funds appropriated in this subsection, up to \$575,627 shall be used for the state poison control center. Pursuant to the directive under [2014 Iowa Acts, chapter 1140, section 102](#), the federal matching funds available to the state poison control center from the department of human services under the federal Children’s Health Insurance Program Reauthorization Act allotment shall be subject to the federal administrative cap rule of 10 percent applicable to funding provided under Tit. XXI of the federal Social Security Act and included within the department’s calculations of the cap.

d. Of the funds appropriated in this subsection, up to \$516,982 shall be used for childhood lead poisoning provisions.

8. RESOURCE MANAGEMENT

For establishing and sustaining the overall ability of the department to deliver services to the public, and for not more than the following full-time equivalent positions:

.....	\$	971,215
.....	FTEs	4.00

9. MISCELLANEOUS PROVISIONS

The university of Iowa hospitals and clinics under the control of the state board of regents shall not receive indirect costs from the funds appropriated in this section. The university of Iowa hospitals and clinics billings to the department shall be on at least a quarterly basis.

10. GENERAL REDUCTION

For the period beginning July 1, 2017, and ending June 30, 2018, the department of public health, in consultation with the department of management, shall identify and implement a reduction in expenditures made from appropriations from the general fund to the department of public health in the amount of \$1,281,367.

11. TRANSFERS

Notwithstanding [section 8.39](#), for the fiscal year beginning July 1, 2017, the department may transfer funds within or between any of the allocations or appropriations made in this division of this Act for the same fiscal year, to be used in accordance with departmental priorities as specified in the department’s report to the general assembly submitted pursuant to [2016 Iowa Acts, chapter 1139, section 3](#). The department shall report any such transfers to the individuals specified in this Act for submission of reports. This subsection shall not be construed to prohibit the use of existing state transfer authority for other purposes.

DIVISION IV
DEPARTMENT OF VETERANS AFFAIRS — FY 2017-2018

Sec. 4. DEPARTMENT OF VETERANS AFFAIRS. There is appropriated from the general fund of the state to the department of veterans affairs for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,142,557
.....	FTEs	15.00

2. IOWA VETERANS HOME

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	7,228,140
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a. The Iowa veterans home billings involving the department of human services shall be submitted to the department on at least a monthly basis.

b. Within available resources and in conformance with associated state and federal program eligibility requirements, the Iowa veterans home may implement measures to provide financial assistance to or on behalf of veterans or their spouses who are participating in the community reentry program.

*c. *The Iowa veterans home expenditure report shall be submitted monthly to the legislative services agency.**

d. The Iowa veterans home shall continue to include in the annual discharge report applicant information to provide for the collection of demographic information including but not limited to the number of individuals applying for admission and admitted or denied admittance and the basis for the admission or denial; the age, gender, and race of such individuals; and the level of care for which such individuals applied for admission including residential or nursing level of care.

3. HOME OWNERSHIP ASSISTANCE PROGRAM

For transfer to the Iowa finance authority for the continuation of the home ownership assistance program for persons who are or were eligible members of the armed forces of the United States, pursuant to [section 16.54](#):

..... \$ 2,000,000

Sec. 5. LIMITATION OF COUNTY COMMISSIONS OF VETERAN AFFAIRS FUND STANDING APPROPRIATIONS. Notwithstanding the standing appropriation in [section 35A.16](#) for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the amount appropriated from the general fund of the state pursuant to that section for the following designated purposes shall not exceed the following amount:

For the county commissions of veteran affairs fund under [section 35A.16](#):

..... \$ 947,925

DIVISION V
DEPARTMENT OF HUMAN SERVICES — FY 2017-2018

Sec. 6. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is appropriated from the fund created in [section 8.41](#) to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, from moneys received under the federal temporary assistance for needy families (TANF) block grant pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and successor legislation, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. To be credited to the family investment program account and used for assistance under the family investment program under [chapter 239B](#):

..... \$ 5,112,462

2. To be credited to the family investment program account and used for the job opportunities and basic skills (JOBS) program and implementing family investment agreements in accordance with [chapter 239B](#):

..... \$ 5,575,693

3. To be used for the family development and self-sufficiency grant program in accordance with [section 216A.107](#):

..... \$ 2,898,980

Notwithstanding [section 8.33](#), moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year. However, unless such moneys are encumbered or obligated on or before September 30, 2018, the moneys shall revert.

4. For field operations:

..... \$ 31,296,232

5. For general administration:

..... \$ 3,744,000

6. For state child care assistance:

..... \$ 47,866,826

a. Of the funds appropriated in this subsection, \$26,328,097 is transferred to the child care and development block grant appropriation made by the Eighty-seventh General Assembly,

* Item veto; see message at end of the Act

2017 session, for the federal fiscal year beginning October 1, 2017, and ending September 30, 2018. Of this amount, \$200,000 shall be used for provision of educational opportunities to registered child care home providers in order to improve services and programs offered by this category of providers and to increase the number of providers. The department may contract with institutions of higher education or child care resource and referral centers to provide the educational opportunities. Allowable administrative costs under the contracts shall not exceed 5 percent. The application for a grant shall not exceed two pages in length.

b. Any funds appropriated in this subsection remaining unallocated shall be used for state child care assistance payments for families who are employed including but not limited to individuals enrolled in the family investment program.

- 7. For child and family services: \$ 32,380,654
- 8. For child abuse prevention grants: \$ 125,000
- 9. For pregnancy prevention grants on the condition that family planning services are funded: \$ 1,930,067

Pregnancy prevention grants shall be awarded to programs in existence on or before July 1, 2017, if the programs have demonstrated positive outcomes. Grants shall be awarded to pregnancy prevention programs which are developed after July 1, 2017, if the programs are based on existing models that have demonstrated positive outcomes. Grants shall comply with the requirements provided in [1997 Iowa Acts, chapter 208, section 14, subsections 1 and 2](#), including the requirement that grant programs must emphasize sexual abstinence. Priority in the awarding of grants shall be given to programs that serve areas of the state which demonstrate the highest percentage of unplanned pregnancies of females of childbearing age within the geographic area to be served by the grant.

- 10. For technology needs and other resources necessary to meet federal welfare reform reporting, tracking, and case management requirements: \$ 1,037,186

11. a. Notwithstanding any provision to the contrary, including but not limited to requirements in [section 8.41](#) or provisions in 2016 or 2017 Iowa Acts regarding the receipt and appropriation of federal block grants, federal funds from the temporary assistance for needy families block grant received by the state and not otherwise appropriated in this section and remaining available for the fiscal year beginning July 1, 2017, are appropriated to the department of human services to the extent as may be necessary to be used in the following priority order: the family investment program, for state child care assistance program payments for families who are employed, and for the family investment program share of costs to develop and maintain a new, integrated eligibility determination system. The federal funds appropriated in this paragraph “a” shall be expended only after all other funds appropriated in subsection 1 for assistance under the family investment program, in subsection 6 for child care assistance, or in subsection 10 for technology costs related to the family investment program, as applicable, have been expended. For the purposes of this subsection, the funds appropriated in subsection 6, paragraph “a”, for transfer to the child care and development block grant appropriation are considered fully expended when the full amount has been transferred.

b. The department shall, on a quarterly basis, advise the legislative services agency and department of management of the amount of funds appropriated in this subsection that was expended in the prior quarter.

12. Of the amounts appropriated in this section, \$12,962,008 for the fiscal year beginning July 1, 2017, is transferred to the appropriation of the federal social services block grant made to the department of human services for that fiscal year.

13. For continuation of the program providing categorical eligibility for the food assistance program as specified for the program in the section of this division of this Act relating to the family investment program account: \$ 25,000

14. The department may transfer funds allocated in this section to the appropriations made in this division of this Act for the same fiscal year for general administration and field

operations for resources necessary to implement and operate the services referred to in this section and those funded in the appropriation made in this division of this Act for the same fiscal year for the family investment program from the general fund of the state.

15. With the exception of moneys allocated under this section for the family development and self-sufficiency grant program, to the extent moneys allocated in this section are deemed by the department not to be necessary to support the purposes for which they are allocated, such moneys may be credited to the family investment program account as specified under subsection 1 of this section and used for the purposes of assistance under the family investment program in accordance with [chapter 239B](#) in the same fiscal year.

Sec. 7. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program (FIP) account for the fiscal year beginning July 1, 2017, and ending June 30, 2018, shall be used to provide assistance in accordance with [chapter 239B](#).

2. The department may use a portion of the moneys credited to the FIP account under this section as necessary for salaries, support, maintenance, and miscellaneous purposes.

3. The department may transfer funds allocated in subsection 4 to the appropriations made in this division of this Act for the same fiscal year for general administration and field operations for resources necessary to implement and operate the family investment program services referred to in this section and those funded in the appropriation made in this division of this Act for the same fiscal year for the family investment program from the general fund of the state.

4. Moneys appropriated in this division of this Act and credited to the FIP account for the fiscal year beginning July 1, 2017, and ending June 30, 2018, are allocated as follows:

a. To be retained by the department of human services to be used for coordinating with the department of human rights to more effectively serve participants in FIP and other shared clients and to meet federal reporting requirements under the federal temporary assistance for needy families block grant:

..... \$ 20,000

b. To the department of human rights for staffing, administration, and implementation of the family development and self-sufficiency grant program in accordance with [section 216A.107](#):

..... \$ 6,192,834

(1) Of the funds allocated for the family development and self-sufficiency grant program in this paragraph “b”, not more than 5 percent of the funds shall be used for the administration of the grant program.

(2) The department of human rights may continue to implement the family development and self-sufficiency grant program statewide during fiscal year 2017-2018.

(3) The department of human rights may engage in activities to strengthen and improve family outcomes measures and data collection systems under the family development and self-sufficiency grant program.

c. For the diversion subaccount of the FIP account:

..... \$ 815,000

A portion of the moneys allocated for the subaccount may be used for field operations, salaries, data management system development, and implementation costs and support deemed necessary by the director of human services in order to administer the FIP diversion program. To the extent moneys allocated in this paragraph “c” are deemed by the department not to be necessary to support diversion activities, such moneys may be used for other efforts intended to increase engagement by family investment program participants in work, education, or training activities, or for the purposes of assistance under the family investment program in accordance with [chapter 239B](#).

d. For the food assistance employment and training program:

..... \$ 66,588

(1) The department shall apply the federal supplemental nutrition assistance program (SNAP) employment and training state plan in order to maximize to the fullest extent permitted by federal law the use of the 50 percent federal reimbursement provisions for the claiming of allowable federal reimbursement funds from the United States department

of agriculture pursuant to the federal SNAP employment and training program for providing education, employment, and training services for eligible food assistance program participants, including but not limited to related dependent care and transportation expenses.

(2) The department shall continue the categorical federal food assistance program eligibility at 160 percent of the federal poverty level and continue to eliminate the asset test from eligibility requirements, consistent with federal food assistance program requirements. The department shall include as many food assistance households as is allowed by federal law. The eligibility provisions shall conform to all federal requirements including requirements addressing individuals who are incarcerated or otherwise ineligible.

e. For the JOBS program:

..... \$ 13,523,290

5. Of the child support collections assigned under FIP, an amount equal to the federal share of support collections shall be credited to the child support recovery appropriation made in this division of this Act. Of the remainder of the assigned child support collections received by the child support recovery unit, a portion shall be credited to the FIP account, a portion may be used to increase recoveries, and a portion may be used to sustain cash flow in the child support payments account. If as a consequence of the appropriations and allocations made in this section the resulting amounts are insufficient to sustain cash assistance payments and meet federal maintenance of effort requirements, the department shall seek supplemental funding. If child support collections assigned under FIP are greater than estimated or are otherwise determined not to be required for maintenance of effort, the state share of either amount may be transferred to or retained in the child support payments account.

6. The department may adopt emergency rules for the family investment, JOBS, food assistance, and medical assistance programs if necessary to comply with federal requirements.

Sec. 8. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To be credited to the family investment program (FIP) account and used for family investment program assistance under [chapter 239B](#):

..... \$ 43,004,480

1. Of the funds appropriated in this section, \$7,947,597 is allocated for the JOBS program.

2. Of the funds appropriated in this section, \$3,313,854 is allocated for the family development and self-sufficiency grant program.

3. Notwithstanding [section 8.39](#), for the fiscal year beginning July 1, 2017, if necessary to meet federal maintenance of effort requirements or to transfer federal temporary assistance for needy families block grant funding to be used for purposes of the federal social services block grant or to meet cash flow needs resulting from delays in receiving federal funding or to implement, in accordance with this division of this Act, activities currently funded with juvenile court services, county, or community moneys and state moneys used in combination with such moneys; to comply with federal requirements; or to maximize the use of federal funds, the department of human services may transfer funds within or between any of the appropriations made in this division of this Act and appropriations in law for the federal social services block grant to the department for the following purposes, provided that the combined amount of state and federal temporary assistance for needy families block grant funding for each appropriation remains the same before and after the transfer:

- a. For the family investment program.
- b. For child care assistance.
- c. For child and family services.
- d. For field operations.
- e. For general administration.

This subsection shall not be construed to prohibit the use of existing state transfer authority for other purposes. The department shall report any transfers made pursuant to this subsection to the legislative services agency.

4. Of the funds appropriated in this section, \$195,678 shall be used for continuation of a grant to an Iowa-based nonprofit organization with a history of providing tax preparation assistance to low-income Iowans in order to expand the usage of the earned income tax credit. The purpose of the grant is to supply this assistance to underserved areas of the state.

5. Of the funds appropriated in this section, \$60,000 shall be used for the continuation of an unfunded pilot project, as defined in [441 IAC 100.1](#), relating to parental obligations, in which the child support recovery unit participates, to support the efforts of a nonprofit organization committed to strengthening the community through youth development, healthy living, and social responsibility headquartered in a county with a population over 350,000 according to the latest certified federal census. The funds allocated in this subsection shall be used by the recipient organization to develop a larger community effort, through public and private partnerships, to support a broad-based multi-county fatherhood initiative that promotes payment of child support obligations, improved family relationships, and full-time employment.

6. The department may transfer funds appropriated in this section to the appropriations made in this division of this Act for general administration and field operations as necessary to administer this section and the overall family investment program.

Sec. 9. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For child support recovery, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:	\$	12,586,635
.....	FTEs	459.00

1. The department shall expend up to \$24,329, including federal financial participation, for the fiscal year beginning July 1, 2017, for a child support public awareness campaign. The department and the office of the attorney general shall cooperate in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.

2. Federal access and visitation grant moneys shall be issued directly to private not-for-profit agencies that provide services designed to increase compliance with the child access provisions of court orders, including but not limited to neutral visitation sites and mediation services.

3. The appropriation made to the department for child support recovery may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for cash flow management purposes the department may temporarily draw more than the amount appropriated, provided the amount appropriated is not exceeded at the close of the fiscal year.

4. With the exception of the funding amount specified, the requirements established under [2001 Iowa Acts, chapter 191, section 3, subsection 5, paragraph "c"](#), subparagraph (3), shall be applicable to parental obligation pilot projects for the fiscal year beginning July 1, 2017, and ending June 30, 2018. Notwithstanding [441 IAC 100.8](#), providing for termination of rules relating to the pilot projects, the rules shall remain in effect until June 30, 2018.

Sec. 10. HEALTH CARE TRUST FUND — MEDICAL ASSISTANCE — FY 2017-2018. Any funds remaining in the health care trust fund created in [section 453A.35A](#) for the fiscal year beginning July 1, 2017, and ending June 30, 2018, are appropriated to the department of human services to supplement the medical assistance program appropriations made in this division of this Act, for medical assistance reimbursement and associated costs, including program administration and costs associated with program implementation.

Sec. 11. MEDICAID FRAUD FUND — MEDICAL ASSISTANCE — FY 2017-2018. Any funds remaining in the Medicaid fraud fund created in [section 249A.50](#) for the fiscal year beginning July 1, 2017, and ending June 30, 2018, are appropriated to the department of

human services to supplement the medical assistance appropriations made in this division of this Act, for medical assistance reimbursement and associated costs, including program administration and costs associated with program implementation.

Sec. 12. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance program reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2017, except as otherwise expressly authorized by law, consistent with options under federal law and regulations, and contingent upon receipt of approval from the office of the governor of reimbursement for each abortion performed under the program:

..... \$ 1,284,405,740

1. Iowans support reducing the number of abortions performed in our state. Funds appropriated under this section shall not be used for abortions, unless otherwise authorized under this section.

2. The provisions of this section relating to abortions shall also apply to the Iowa health and wellness plan created pursuant to [chapter 249N](#).

3. The department shall utilize not more than \$60,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in [1992 Iowa Acts, Second Extraordinary Session, chapter 1001, section 409, subsection 6](#). Of the funds allocated in this subsection, not more than \$5,000 may be expended for administrative purposes.

4. Of the funds appropriated in this Act to the department of public health for addictive disorders, \$950,000 for the fiscal year beginning July 1, 2017, is transferred to the department of human services for an integrated substance-related disorder managed care system. The departments of human services and public health shall work together to maintain the level of mental health and substance-related disorder treatment services provided by the managed care contractors. Each department shall take the steps necessary to continue the federal waivers as necessary to maintain the level of services.

5. a. The department shall aggressively pursue options for providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnostic, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department’s exception to policy provisions, but who have health care needs in excess of the funding available through the exception to policy provisions.

b. Of the funds appropriated in this section, \$100,000 shall be used for participation in one or more pilot projects operated by a private provider to allow the individual or individuals to receive service in the community in accordance with principles established in *Olmstead v. L.C.*, 527 U.S. 581 (1999), for the purpose of providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnostic, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department’s exception to policy provisions, but who have health care needs in excess of the funding available through the exception to the policy provisions.

6. Of the funds appropriated in this section, up to \$3,050,082 may be transferred to the field operations or general administration appropriations in this division of this Act for operational costs associated with Part D of the federal Medicare Prescription Drug Improvement and Modernization Act of 2003, Pub. L. No. 108-173.

7. Of the funds appropriated in this section, up to \$442,100 may be transferred to the appropriation in this division of this Act for medical contracts to be used for clinical assessment services and prior authorization of services.

8. A portion of the funds appropriated in this section may be transferred to the appropriations in this division of this Act for general administration, medical contracts, the children’s health insurance program, or field operations to be used for the state match

cost to comply with the payment error rate measurement (PERM) program for both the medical assistance and children's health insurance programs as developed by the centers for Medicare and Medicaid services of the United States department of health and human services to comply with the federal Improper Payments Information Act of 2002, Pub. L. No. 107-300.

9. The department shall continue to implement the recommendations of the assuring better child health and development initiative II (ABCDII) clinical panel to the Iowa early and periodic screening, diagnostic, and treatment services healthy mental development collaborative board regarding changes to billing procedures, codes, and eligible service providers.

10. Of the funds appropriated in this section, a sufficient amount is allocated to supplement the incomes of residents of nursing facilities, intermediate care facilities for persons with mental illness, and intermediate care facilities for persons with an intellectual disability, with incomes of less than \$50 in the amount necessary for the residents to receive a personal needs allowance of \$50 per month pursuant to [section 249A.30A](#).

11. a. Hospitals that meet the conditions specified in subparagraphs (1) and (2) shall either certify public expenditures or transfer to the medical assistance program an amount equal to provide the nonfederal share for a disproportionate share hospital payment in an amount up to the hospital-specific limit as approved in the Medicaid state plan. The hospitals that meet the conditions specified shall receive and retain 100 percent of the total disproportionate share hospital payment in an amount up to the hospital-specific limit as approved in the Medicaid state plan.

(1) The hospital qualifies for disproportionate share and graduate medical education payments.

(2) The hospital is an Iowa state-owned hospital with more than 500 beds and eight or more distinct residency specialty or subspecialty programs recognized by the American college of graduate medical education.

b. Distribution of the disproportionate share payments shall be made on a monthly basis. The total amount of disproportionate share payments including graduate medical education, enhanced disproportionate share, and Iowa state-owned teaching hospital payments shall not exceed the amount of the state's allotment under Pub. L. No. 102-234. In addition, the total amount of all disproportionate share payments shall not exceed the hospital-specific disproportionate share limits under Pub. L. No. 103-66.

12. One hundred percent of the nonfederal share of payments to area education agencies that are medical assistance providers for medical assistance-covered services provided to medical assistance-covered children, shall be made from the appropriation made in this section.

13. A portion of the funds appropriated in this section may be transferred to the appropriation in this division of this Act for medical contracts to be used for administrative activities associated with the money follows the person demonstration project.

14. Of the funds appropriated in this section, \$349,011 shall be used for the administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes.

15. a. The department shall implement all of the following cost containment strategies:

(1) An adjustment to the reimbursement policy in order to eliminate the primary care physician rate increase originally authorized by the federal Health Care and Education Reconciliation Act of 2010, section 1202, Pub. L. No. 111-152, 42 U.S.C. §1396a(a)(13)(C) that allows qualified primary care physicians to receive the greater of the Medicare rate or Medicaid rate for a specified set of codes.

(2) A strategy to ensure that total reimbursement for Medicare Part A and Medicare Part B crossover claims is limited to the Medicaid reimbursement rate.

(3) An adjustment to Medicaid reimbursement rates for physician services by applying a site of service differential to reflect the difference between the cost of physician services when provided in a health facility setting and the cost of physician services when provided in a physician's office.

(4) An adjustment to the inpatient diagnostic related group (DRG) cost threshold formula to be the greater of two times the statewide average DRG payment for that case or the hospital's individual DRG payment for that case plus \$75,000.

(5) An adjustment to the Medicaid anesthesia conversion factor to be equal to the calendar year 2017 Medicare anesthesia conversion factor as adjusted for the state, and converted to a per minute amount. Each January 1, thereafter, the department shall apply the applicable Medicare anesthesia conversion factor adjusted for the state, and converted to a per minute amount.

(6) An alignment of billing and reimbursement for consultation services rendered in an office, other outpatient, or inpatient setting with Medicare billing and reimbursement.

(7) Elimination of the three-month retroactive Medicaid coverage benefit for Medicaid applicants effective October 1, 2017. The department shall seek a waiver from the centers for Medicare and Medicaid services of the United States department of health and human services to implement the strategy. If federal approval is received, an applicant's Medicaid coverage shall be effective on the first day of the month of application, as allowed under the Medicaid state plan.

b. The department shall implement the cost containment strategies specified in this subsection beginning July 1, 2017, or as otherwise specified. If federal approval is required, the strategy shall be implemented effective upon receipt of federal approval.

c. The department may adopt emergency rules to implement this subsection.

16. a. The department may increase the amounts allocated for salaries, support, maintenance, and miscellaneous purposes associated with the medical assistance program, as necessary, to implement cost containment strategies. The department shall report any such increase to the legislative services agency and the department of management.

b. If the savings to the medical assistance program from cost containment efforts exceed the cost for the fiscal year beginning July 1, 2017, the department may transfer any savings generated for the fiscal year due to medical assistance program cost containment efforts to the appropriation made in this division of this Act for medical contracts or general administration to defray the increased contract costs associated with implementing such efforts.

17. For the fiscal year beginning July 1, 2017, and ending June 30, 2018, the replacement generation tax revenues required to be deposited in the property tax relief fund pursuant to [section 437A.8, subsection 4](#), paragraph "d", and [section 437A.15, subsection 3](#), paragraph "f", shall instead be credited to and supplement the appropriation made in this section and used for the allocations made in this section.

18. a. Of the funds appropriated in this section, up to \$50,000 may be transferred by the department to the appropriation made in this division of this Act to the department for the same fiscal year for general administration to be used for associated administrative expenses and for not more than one full-time equivalent position, in addition to those authorized for the same fiscal year, to be assigned to implementing the children's mental health home project.

b. Of the funds appropriated in this section, up to \$400,000 may be transferred by the department to the appropriation made to the department in this division of this Act for the same fiscal year for Medicaid program-related general administration planning and implementation activities. The funds may be used for contracts or for personnel in addition to the amounts appropriated for and the positions authorized for general administration for the fiscal year.

c. Of the funds appropriated in this section, up to \$3,000,000 may be transferred by the department to the appropriations made in this division of this Act for the same fiscal year for general administration or medical contracts to be used to support the development and implementation of standardized assessment tools for persons with mental illness, an intellectual disability, a developmental disability, or a brain injury.

19. Of the funds appropriated in this section, \$150,000 shall be used for lodging expenses associated with care provided at the university of Iowa hospitals and clinics for patients with cancer whose travel distance is 30 miles or more and whose income is at or below 200 percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services. The department of human services shall establish the maximum number of overnight stays and the maximum rate reimbursed for overnight lodging, which may be based on the state

employee rate established by the department of administrative services. The funds allocated in this subsection shall not be used as nonfederal share matching funds.

20. Of the funds appropriated in this section, up to \$3,383,880 shall be used for administration of the state family planning services program as enacted in this 2017 Act, and of this amount, the department may use up to \$200,000 for administrative expenses.

21. The department shall report the implementation of any cost containment strategies to the individuals specified in this division of this Act for submission of reports upon implementation.

22. The department shall report the implementation of any process improvement changes and any related cost reductions to the individuals specified in this division of this Act for submission of reports upon implementation.

23. The Medicaid managed care organizations shall explore options provided by national human services nonprofit organizations that provide innovative services for persons with behavioral health challenges to incorporate assertive community treatment teams into the services provided to individuals with severe and persistent mental illness in order to minimize or prevent recurrent acute episodes and to enhance quality of life and functioning.

24. The department of human services shall include in the Medicaid managed care contracts beginning with the contract period effective July 1, 2017, per member per month capitation payments to managed care organizations that encourage the utilization of home and community-based services as an alternative to residential care for members.

25. The department of human services shall review the use of step therapy protocols and the application of step therapy override exceptions under the Medicaid program. In the review, the department may consider the use of step therapy protocols and the application of step therapy override exceptions as provided in chapter 514F.7, if enacted by 2017 Iowa Acts, House File 233,¹ and the potential for improving the quality of life of Medicaid members and increasing efficiencies in the Medicaid program. The department shall report findings of the review and recommendations to the individuals designated in this Act for submission of reports by November 15, 2017.

Sec. 13. MEDICAL CONTRACTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

..... \$ 17,626,464

1. The department of inspections and appeals shall provide all state matching funds for survey and certification activities performed by the department of inspections and appeals. The department of human services is solely responsible for distributing the federal matching funds for such activities.

2. Of the funds appropriated in this section, \$50,000 shall be used for continuation of home and community-based services waiver quality assurance programs, including the review and streamlining of processes and policies related to oversight and quality management to meet state and federal requirements.

3. Of the amount appropriated in this section, up to \$200,000 may be transferred to the appropriation for general administration in this division of this Act to be used for additional full-time equivalent positions in the development of key health initiatives such as cost containment, development and oversight of managed care programs, and development of health strategies targeted toward improved quality and reduced costs in the Medicaid program.

4. Of the funds appropriated in this section, \$1,000,000 shall be used for planning and development, in cooperation with the department of public health, of a phased-in program to provide a dental home for children.

5. Of the funds appropriated in this section, \$950,000 shall be credited to the autism support program fund created in section 225D.2 to be used for the autism support program created

* Item veto; see message at end of the Act

¹ Chapter 124 herein

in [chapter 225D](#), with the exception of the following amounts of this allocation which shall be used as follows:

a. Of the amount appropriated in this section, \$202,000 shall be used for the public purpose of providing a one-year grant to Drake university to establish a master’s program in applied behavioral analysis, including the establishment of remote learning sites and a remote system to maximize outreach and enrollment in the program.

b. Of the funds allocated in this subsection, \$25,000 shall be used for the public purpose of continuation of a grant to a child welfare services provider headquartered in a county with a population between 205,000 and 215,000 in the latest certified federal census that provides multiple services including but not limited to a psychiatric medical institution for children, shelter, residential treatment, after school programs, school-based programming, and an Asperger’s syndrome program, to be used for support services for children with autism spectrum disorder and their families.

c. Of the funds allocated in this subsection, \$25,000 shall be used for the public purpose of continuing a grant to a hospital-based provider headquartered in a county with a population between 90,000 and 95,000 in the latest certified federal census that provides multiple services including but not limited to diagnostic, therapeutic, and behavioral services to individuals with autism spectrum disorder across one’s lifespan. The grant recipient shall utilize the funds to continue the pilot project to determine the necessary support services for children with autism spectrum disorder and their families to be included in the children’s disabilities services system. The grant recipient shall submit findings and recommendations based upon the results of the pilot project to the individuals specified in this division of this Act for submission of reports by December 31, 2017.

Sec. 14. STATE SUPPLEMENTARY ASSISTANCE.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the state supplementary assistance program:

..... \$ 10,372,658

2. The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security income and federal social security benefits are increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement this subsection.

3. If during the fiscal year beginning July 1, 2017, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-through requirement specified in Tit. XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. §1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this division of this Act to ensure that federal requirements are met. In addition, the department may make other programmatic and rate adjustments necessary to remain within the amount appropriated in this section while ensuring compliance with federal requirements. The department may adopt emergency rules to implement the provisions of this subsection.

Sec. 15. CHILDREN’S HEALTH INSURANCE PROGRAM.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For maintenance of the healthy and well kids in Iowa (hawk-i) program pursuant to [chapter 514I](#), including supplemental dental services, for receipt of federal financial participation under Tit. XXI of the federal Social Security Act, which creates the children’s health insurance program:

..... \$ 8,518,452

* Item veto; see message at end of the Act

2. Of the funds appropriated in this section, \$42,800 is allocated for continuation of the contract for outreach with the department of public health.

Sec. 16. CHILD CARE ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child care programs:

..... \$ 39,343,616

1. Of the funds appropriated in this section, \$33,493,616 shall be used for state child care assistance in accordance with [section 237A.13](#).

2. Nothing in this section shall be construed or is intended as or shall imply a grant of entitlement for services to persons who are eligible for assistance due to an income level consistent with the waiting list requirements of [section 237A.13](#). Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

3. A list of the registered and licensed child care facilities operating in the area served by a child care resource and referral service shall be made available to the families receiving state child care assistance in that area.

4. Of the funds appropriated in this section, \$5,850,000 shall be credited to the early childhood programs grants account in the early childhood Iowa fund created in [section 256I.11](#). The moneys shall be distributed for funding of community-based early childhood programs targeted to children from birth through five years of age developed by early childhood Iowa areas in accordance with approved community plans as provided in [section 256I.8](#).

5. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child care assistance and related programs. For the purpose of expenditures of state and federal child care funding, funds shall be considered obligated at the time expenditures are projected or are allocated to the department's service areas. Projections shall be based on current and projected caseload growth, current and projected provider rates, staffing requirements for eligibility determination and management of program requirements including data systems management, staffing requirements for administration of the program, contractual and grant obligations and any transfers to other state agencies, and obligations for decategorization or innovation projects.

6. A portion of the state match for the federal child care and development block grant shall be provided as necessary to meet federal matching funds requirements through the state general fund appropriation made for child development grants and other programs for at-risk children in [section 279.51](#).

7. If a uniform reduction ordered by the governor under [section 8.31](#) or other operation of law, transfer, or federal funding reduction reduces the appropriation made in this section for the fiscal year, the percentage reduction in the amount paid out to or on behalf of the families participating in the state child care assistance program shall be equal to or less than the percentage reduction made for any other purpose payable from the appropriation made in this section and the federal funding relating to it. The percentage reduction to the other allocations made in this section shall be the same as the uniform reduction ordered by the governor or the percentage change of the federal funding reduction, as applicable. If there is an unanticipated increase in federal funding provided for state child care assistance, the entire amount of the increase shall be used for state child care assistance payments. If the appropriations made for purposes of the state child care assistance program for the fiscal year are determined to be insufficient, it is the intent of the general assembly to appropriate sufficient funding for the fiscal year in order to avoid establishment of waiting list requirements.

8. Notwithstanding [section 8.33](#), moneys advanced for purposes of the programs developed by early childhood Iowa areas, advanced for purposes of wraparound child care, or received from the federal appropriations made for the purposes of this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but

shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 17. JUVENILE INSTITUTION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For operation of the state training school at Eldora and for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	11,350,443
.....	FTEs	189.00

Of the funds appropriated in this subsection, \$91,150 shall be used for distribution to licensed classroom teachers at this and other institutions under the control of the department of human services based upon the average student yearly enrollment at each institution as determined by the department.

2. A portion of the moneys appropriated in this section shall be used by the state training school at Eldora for grants for adolescent pregnancy prevention activities at the institution in the fiscal year beginning July 1, 2017.

Sec. 18. CHILD AND FAMILY SERVICES.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

.....	\$	87,279,375
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2. The department may transfer funds appropriated in this section as necessary to pay the nonfederal costs of services reimbursed under the medical assistance program, state child care assistance program, or the family investment program which are provided to children who would otherwise receive services paid under the appropriation in this section. The department may transfer funds appropriated in this section to the appropriations made in this division of this Act for general administration and for field operations for resources necessary to implement and operate the services funded in this section.

3. a. Of the funds appropriated in this section, up to \$35,736,649 is allocated as the statewide expenditure target under [section 232.143](#) for group foster care maintenance and services. If the department projects that such expenditures for the fiscal year will be less than the target amount allocated in this paragraph "a", the department may reallocate the excess to provide additional funding for shelter care or the child welfare emergency services addressed with the allocation for shelter care.

b. If at any time after September 30, 2017, annualization of a service area's current expenditures indicates a service area is at risk of exceeding its group foster care expenditure target under [section 232.143](#) by more than 5 percent, the department and juvenile court services shall examine all group foster care placements in that service area in order to identify those which might be appropriate for termination. In addition, any aftercare services believed to be needed for the children whose placements may be terminated shall be identified. The department and juvenile court services shall initiate action to set dispositional review hearings for the placements identified. In such a dispositional review hearing, the juvenile court shall determine whether needed aftercare services are available and whether termination of the placement is in the best interest of the child and the community.

4. In accordance with the provisions of [section 232.188](#), the department shall continue the child welfare and juvenile justice funding initiative during fiscal year 2017-2018. Of the funds appropriated in this section, \$1,717,753 is allocated specifically for expenditure for fiscal year 2017-2018 through the decategorization services funding pools and governance boards established pursuant to [section 232.188](#).

5. A portion of the funds appropriated in this section may be used for emergency family assistance to provide other resources required for a family participating in a family preservation or reunification project or successor project to stay together or to be reunified.

6. Notwithstanding [section 234.35](#) or any other provision of law to the contrary, state funding for shelter care and the child welfare emergency services contracting implemented to provide for or prevent the need for shelter care shall be limited to \$8,096,158.

7. Federal funds received by the state during the fiscal year beginning July 1, 2017, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for services and purposes provided for under this section. Notwithstanding [section 8.33](#), moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for the purposes designated until the close of the succeeding fiscal year.

8. a. Of the funds appropriated in this section, up to \$3,290,000 is allocated for the payment of the expenses of court-ordered services provided to juveniles who are under the supervision of juvenile court services, which expenses are a charge upon the state pursuant to [section 232.141, subsection 4](#). Of the amount allocated in this paragraph “a”, up to \$1,556,287 shall be made available to provide school-based supervision of children adjudicated under [chapter 232](#), of which not more than \$15,000 may be used for the purpose of training. A portion of the cost of each school-based liaison officer shall be paid by the school district or other funding source as approved by the chief juvenile court officer.

b. Of the funds appropriated in this section, up to \$748,985 is allocated for the payment of the expenses of court-ordered services provided to children who are under the supervision of the department, which expenses are a charge upon the state pursuant to [section 232.141, subsection 4](#).

c. Notwithstanding [section 232.141](#) or any other provision of law to the contrary, the amounts allocated in this subsection shall be distributed to the judicial districts as determined by the state court administrator and to the department’s service areas as determined by the administrator of the department of human services’ division of child and family services. The state court administrator and the division administrator shall make the determination of the distribution amounts on or before June 15, 2017.

d. Notwithstanding [chapter 232](#) or any other provision of law to the contrary, a district or juvenile court shall not order any service which is a charge upon the state pursuant to [section 232.141](#) if there are insufficient court-ordered services funds available in the district court or departmental service area distribution amounts to pay for the service. The chief juvenile court officer and the departmental service area manager shall encourage use of the funds allocated in this subsection such that there are sufficient funds to pay for all court-related services during the entire year. The chief juvenile court officers and departmental service area managers shall attempt to anticipate potential surpluses and shortfalls in the distribution amounts and shall cooperatively request the state court administrator or division administrator to transfer funds between the judicial districts’ or departmental service areas’ distribution amounts as prudent.

e. Notwithstanding any provision of law to the contrary, a district or juvenile court shall not order a county to pay for any service provided to a juvenile pursuant to an order entered under [chapter 232](#) which is a charge upon the state under [section 232.141, subsection 4](#).

f. Of the funds allocated in this subsection, not more than \$83,000 may be used by the judicial branch for administration of the requirements under this subsection.

g. Of the funds allocated in this subsection, \$17,000 shall be used by the department of human services to support the interstate commission for juveniles in accordance with the interstate compact for juveniles as provided in [section 232.173](#).

9. Of the funds appropriated in this section, \$12,253,227 is allocated for juvenile delinquent graduated sanctions services. Any state funds saved as a result of efforts by juvenile court services to earn a federal Tit. IV-E match for juvenile court services administration may be used for the juvenile delinquent graduated sanctions services.

10. Of the funds appropriated in this section, \$1,658,285 is transferred to the department of public health to be used for the child protection center grant program for child protection centers located in Iowa in accordance with [section 135.118](#). The grant amounts under the program shall be equalized so that each center receives a uniform base amount of \$245,000, so that \$50,000 is awarded to establish a satellite child protection center in a city in north

central Iowa that is the county seat of a county with a population between 44,000 and 45,000 according to the latest certified federal census, and so that the remaining funds are awarded through a funding formula based upon the volume of children served.

11. If the department receives federal approval to implement a waiver under Tit. IV-E of the federal Social Security Act to enable providers to serve children who remain in the children’s families and communities, for purposes of eligibility under the medical assistance program through 25 years of age, children who participate in the waiver shall be considered to be placed in foster care.

12. Of the funds appropriated in this section, \$4,025,167 is allocated for the preparation for adult living program pursuant to [section 234.46](#).

13. Of the funds appropriated in this section, \$227,337 shall be used for the public purpose of continuing a grant to a nonprofit human services organization providing services to individuals and families in multiple locations in southwest Iowa and Nebraska for support of a project providing immediate, sensitive support and forensic interviews, medical exams, needs assessments, and referrals for victims of child abuse and their nonoffending family members.

14. Of the funds appropriated in this section, \$300,620 is allocated for the foster care youth council approach of providing a support network to children placed in foster care.

15. Of the funds appropriated in this section, \$202,000 is allocated for use pursuant to [section 235A.1](#) for continuation of the initiative to address child sexual abuse implemented pursuant to [2007 Iowa Acts, chapter 218, section 18, subsection 21](#).

16. Of the funds appropriated in this section, \$630,240 is allocated for the community partnership for child protection sites.

17. Of the funds appropriated in this section, \$371,250 is allocated for the department’s minority youth and family projects under the redesign of the child welfare system.

18. Of the funds appropriated in this section, \$1,136,595 is allocated for funding of the community circle of care collaboration for children and youth in northeast Iowa.

19. Of the funds appropriated in this section, at least \$147,158 shall be used for the continuation of the child welfare provider training academy, a collaboration between the coalition for family and children’s services in Iowa and the department.

20. Of the funds appropriated in this section, \$211,872 shall be used for continuation of the central Iowa system of care program grant through June 30, 2018.

21. Of the funds appropriated in this section, \$235,000 shall be used for the public purpose of the continuation and expansion of a system of care program grant implemented in Cerro Gordo and Linn counties to utilize a comprehensive and long-term approach for helping children and families by addressing the key areas in a child’s life of childhood basic needs, education and work, family, and community.

22. Of the funds appropriated in this section, at least \$25,000 shall be used to continue and to expand the foster care respite pilot program in which postsecondary students in social work and other human services-related programs receive experience by assisting family foster care providers with respite and other support.

23. Of the funds appropriated in this section, \$110,000 shall be used for the public purpose of funding community-based services and other supports with a system of care approach for children with a serious emotional disturbance and their families through a nonprofit provider of child welfare services that has been in existence for more than 115 years, is located in a county with a population of more than 200,000 but less than 220,000 according to the latest certified federal census, is licensed as a psychiatric medical institution for children, and was a system of care grantee prior to July 1, 2017.

Sec. 19. ADOPTION SUBSIDY.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

a. For adoption subsidy payments and services: \$ 40,777,910

b. (1) The funds appropriated in this section shall be used as authorized or allowed by federal law or regulation for any of the following purposes:

(a) For adoption subsidy payments and related costs.

(b) For post-adoption services and for other purposes under Tit. IV-B or Tit. IV-E of the federal Social Security Act.

(2) The department of human services may transfer funds appropriated in this subsection to the appropriation for child and family services in this Act for the purposes of post-adoption services as specified in this paragraph "b".

c. Notwithstanding [section 8.33](#), moneys corresponding to the state savings resulting from implementation of the federal Fostering Connections to Success and Increasing Adoptions Act of 2008, Pub. L. No. 110-351, and successor legislation, as determined in accordance with 42 U.S.C. §673(a)(8), that remain unencumbered or unobligated at the close of the fiscal year, shall not revert to any fund but shall remain available for the purposes designated in this subsection until expended. The amount of such savings and any corresponding funds remaining at the close of the fiscal year shall be determined separately and any changes in either amount between fiscal years shall not result in an unfunded need.

2. The department may transfer funds appropriated in this section to the appropriation made in this division of this Act for general administration for costs paid from the appropriation relating to adoption subsidy.

3. Federal funds received by the state during the fiscal year beginning July 1, 2017, as the result of the expenditure of state funds during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for the services and activities funded under this section. Notwithstanding [section 8.33](#), moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 20. JUVENILE DETENTION HOME FUND. Moneys deposited in the juvenile detention home fund created in [section 232.142](#) during the fiscal year beginning July 1, 2017, and ending June 30, 2018, are appropriated to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, for distribution of an amount equal to a percentage of the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 2016. Moneys appropriated for distribution in accordance with this section shall be allocated among eligible detention homes, prorated on the basis of an eligible detention home's proportion of the costs of all eligible detention homes in the fiscal year beginning July 1, 2016. The percentage figure shall be determined by the department based on the amount available for distribution for the fund. Notwithstanding [section 232.142](#), [subsection 3](#), the financial aid payable by the state under that provision for the fiscal year beginning July 1, 2017, shall be limited to the amount appropriated for the purposes of this section.

Sec. 21. FAMILY SUPPORT SUBSIDY PROGRAM.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the family support subsidy program subject to the enrollment restrictions in [section 225C.37](#), [subsection 3](#):

..... \$ 1,069,282

2. At least \$787,500 of the moneys appropriated in this section is transferred to the department of public health for the family support center component of the comprehensive family support program under [chapter 225C](#), subchapter V.

3. If at any time during the fiscal year, the amount of funding available for the family support subsidy program is reduced from the amount initially used to establish the figure for the number of family members for whom a subsidy is to be provided at any one time during the fiscal year, notwithstanding [section 225C.38](#), [subsection 2](#), the department shall revise the figure as necessary to conform to the amount of funding available.

Sec. 22. CONNER DECREE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For building community capacity through the coordination and provision of training opportunities in accordance with the consent decree of Conner v. Branstad, No. 4-86-CV-30871(S.D. Iowa, July 14, 1994):

..... \$ 33,632

Sec. 23. MENTAL HEALTH INSTITUTES.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For operation of the state mental health institute at Cherokee as required by chapters 218 and 226 for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 13,870,254

..... FTEs 162.00

b. For operation of the state mental health institute at Independence as required by chapters 218 and 226 for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 17,513,621

..... FTEs 204.00

2. Notwithstanding sections 218.78 and 249A.11, any revenue received from the state mental health institute at Cherokee or the state mental health institute at Independence pursuant to 42 C.FR §438.6(e) may be retained and expended by the mental health institute.

3. Notwithstanding any provision of law to the contrary, a Medicaid member residing at the state mental health institute at Cherokee or the state mental health institute at Independence shall retain Medicaid eligibility during the period of the Medicaid member’s stay for which federal financial participation is available.

Sec. 24. STATE RESOURCE CENTERS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For the state resource center at Glenwood for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 17,887,781

b. For the state resource center at Woodward for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 12,077,034

2. The department may continue to bill for state resource center services utilizing a scope of services approach used for private providers of intermediate care facilities for persons with an intellectual disability services, in a manner which does not shift costs between the medical assistance program, counties, or other sources of funding for the state resource centers.

3. The state resource centers may expand the time-limited assessment and respite services during the fiscal year.

4. If the department’s administration and the department of management concur with a finding by a state resource center’s superintendent that projected revenues can reasonably be expected to pay the salary and support costs for a new employee position, or that such costs for adding a particular number of new positions for the fiscal year would be less than the overtime costs if new positions would not be added, the superintendent may add the new position or positions. If the vacant positions available to a resource center do not include the position classification desired to be filled, the state resource center’s superintendent may reclassify any vacant position as necessary to fill the desired position. The superintendents of the state resource centers may, by mutual agreement, pool vacant positions and position

classifications during the course of the fiscal year in order to assist one another in filling necessary positions.

5. If existing capacity limitations are reached in operating units, a waiting list is in effect for a service or a special need for which a payment source or other funding is available for the service or to address the special need, and facilities for the service or to address the special need can be provided within the available payment source or other funding, the superintendent of a state resource center may authorize opening not more than two units or other facilities and begin implementing the service or addressing the special need during fiscal year 2017-2018.

Sec. 25. SEXUALLY VIOLENT PREDATORS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For costs associated with the commitment and treatment of sexually violent predators in the unit located at the state mental health institute at Cherokee, including costs of legal services and other associated costs, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	9,464,747
.....	FTEs	112.00

2. Unless specifically prohibited by law, if the amount charged provides for recoupment of at least the entire amount of direct and indirect costs, the department of human services may contract with other states to provide care and treatment of persons placed by the other states at the unit for sexually violent predators at Cherokee. The moneys received under such a contract shall be considered to be repayment receipts and used for the purposes of the appropriation made in this section.

Sec. 26. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For field operations, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	48,484,435
.....	FTEs	1,583.00

Priority in filling full-time equivalent positions shall be given to those positions related to child protection services and eligibility determination for low-income families.

Sec. 27. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	14,033,040
.....	FTEs	294.00

1. The department shall report at least monthly to the legislative services agency concerning the department's operational and program expenditures.

2. Of the funds appropriated in this section, \$150,000 shall be used to continue the contract for the provision of a program to provide technical assistance, support, and consultation to providers of habilitation services and home and community-based services waiver services for adults with disabilities under the medical assistance program.

3. Of the funds appropriated in this section, \$50,000 is transferred to the Iowa finance authority to be used for administrative support of the council on homelessness established in

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section 16.2D and for the council to fulfill its duties in addressing and reducing homelessness in the state.

4. Of the funds appropriated in this section, \$200,000 shall be transferred to and deposited in the administrative fund of the Iowa ABLE savings plan trust created in section 12I.4, to be used for implementation and administration activities of the Iowa ABLE savings plan trust.

5. Of the funds appropriated in this section, \$200,000 is transferred to the economic development authority for the Iowa commission on volunteer services to continue to be used for RefugeeRISE AmeriCorps program established under section 15H.8 for member recruitment and training to improve the economic well-being and health of economically disadvantaged refugees in local communities across Iowa. Funds transferred may be used to supplement federal funds under federal regulations.

6. Of the funds appropriated in this section, \$300,000 shall be used to contract for children’s well-being collaboratives grants for the development and implementation of children’s well-being collaboratives to establish and coordinate prevention and early intervention services to promote improved mental health and well-being for children and families, as enacted in this 2017 Act.

7. Of the funds appropriated in this section, \$200,000 shall be used to continue to expand the provision of nationally accredited and recognized internet-based training to include mental health and disability services providers.

Sec. 28. DEPARTMENT-WIDE DUTIES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes at facilities under the purview of the department of human services:
..... \$ 2,879,274

Sec. 29. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:
..... \$ 84,686

Sec. 30. GENERAL REDUCTION. For the period beginning July 1, 2017, and ending June 30, 2018, the department of human services, in consultation with the department of management, shall identify and implement a reduction in expenditures made from appropriations from the general fund to the department of human services in the amount of \$1,467,303.

Sec. 31. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

1. a. (1) (a) For the fiscal year beginning July 1, 2017, the department shall rebase case-mix nursing facility rates effective July 1, 2017, to the extent possible within the state funding, including the \$2,500,000, appropriated for this purpose.

(b) For the fiscal year beginning July 1, 2017, non-case-mix and special population nursing facilities shall be reimbursed in accordance with the methodology in effect on June 30 of the prior fiscal year.

(c) For managed care claims, the department of human services shall adjust the payment rate floor for nursing facilities, annually, to maintain a rate floor that is no lower than the Medicaid fee-for-service case-mix adjusted rate calculated in accordance with subparagraph division (a) and 441 IAC 81.6. The department shall then calculate adjusted reimbursement rates, including but not limited to add-on-payments, annually, and shall notify Medicaid

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managed care organizations of the adjusted reimbursement rates within 30 days of determining the adjusted reimbursement rates. Any adjustment of reimbursement rates under this subparagraph division shall be budget neutral to the state budget.

(d) For the fiscal year beginning July 1, 2017, Medicaid managed care long-term services and supports capitation rates shall be adjusted to reflect the rebasing pursuant to subparagraph division (a) for the patient populations residing in Medicaid-certified nursing facilities.

(2) For any open or unsettled nursing facility cost report for a fiscal year prior to and including the fiscal year beginning July 1, 2016, including any cost report remanded on judicial review for inclusion of prescription drug, laboratory, or x-ray costs, the department shall offset all reported prescription drug, laboratory, and x-ray costs with any revenue received from Medicare or other revenue source for any purpose. For purposes of this subparagraph, a nursing facility cost report is not considered open or unsettled if the facility did not initiate an administrative appeal under [chapter 17A](#) or if any appeal rights initiated have been exhausted.

(3) Medicaid managed care organizations shall adjust facility-specific rates based upon payment rate listings issued by the department. The rate adjustments shall be applied retroactively based upon the effective date of the rate letter issued by the department. A Medicaid managed care organization shall honor all retroactive rate adjustments including when specific provider rates are delayed or amended.

b. (1) For the fiscal year beginning July 1, 2017, the department shall establish the pharmacy dispensing fee reimbursement at \$10.02 per prescription, until a cost of dispensing survey is completed. The actual dispensing fee shall be determined by a cost of dispensing survey performed by the department and required to be completed by all medical assistance program participating pharmacies every two years, adjusted as necessary to maintain expenditures within the amount appropriated to the department for this purpose for the fiscal year.

(2) The department shall utilize an average acquisition cost reimbursement methodology for all drugs covered under the medical assistance program in accordance with [2012 Iowa Acts, chapter 1133, section 33](#).

c. (1) For the fiscal year beginning July 1, 2017, reimbursement rates for outpatient hospital services shall be rebased effective January 1, 2018, subject to Medicaid program upper payment limit rules, and adjusted as necessary to maintain expenditures within the amount appropriated to the department for this purpose for the fiscal year.

(2) For the fiscal year beginning July 1, 2017, reimbursement rates for inpatient hospital services shall remain at the rates in effect on June 30, 2017, subject to Medicaid program upper payment limit rules, and adjusted as necessary to maintain expenditures within the amount appropriated to the department for this purpose for the fiscal year.

(3) For the fiscal year beginning July 1, 2017, the graduate medical education and disproportionate share hospital fund shall remain at the amount in effect on June 30, 2017, except that the portion of the fund attributable to graduate medical education shall be reduced in an amount that reflects the elimination of graduate medical education payments made to out-of-state hospitals.

(4) In order to ensure the efficient use of limited state funds in procuring health care services for low-income Iowans, funds appropriated in this Act for hospital services shall not be used for activities which would be excluded from a determination of reasonable costs under the federal Medicare program pursuant to 42 U.S.C. §1395x(v)(1)(N).

d. For the fiscal year beginning July 1, 2017, reimbursement rates for hospices and acute mental hospitals shall be increased in accordance with increases under the federal Medicare program or as supported by their Medicare audited costs.

e. For the fiscal year beginning July 1, 2017, independent laboratories and rehabilitation agencies shall be reimbursed using the same methodology in effect on June 30, 2017.

f. (1) For the fiscal year beginning July 1, 2017, reimbursement rates for home health agencies shall continue to be based on the Medicare low utilization payment adjustment (LUPA) methodology with state geographic wage adjustments. The department shall

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continue to update the rates every two years to reflect the most recent Medicare LUPA rates to the extent possible within the state funding appropriated for this purpose.

(2) For the fiscal year beginning July 1, 2017, rates for private duty nursing and personal care services under the early and periodic screening, diagnostic, and treatment program benefit shall be calculated based on the methodology in effect on June 30, 2017.

g. For the fiscal year beginning July 1, 2017, federally qualified health centers and rural health clinics shall receive cost-based reimbursement for 100 percent of the reasonable costs for the provision of services to recipients of medical assistance.

h. For the fiscal year beginning July 1, 2017, the reimbursement rates for dental services shall remain at the rates in effect on June 30, 2017.

i. (1) For the fiscal year beginning July 1, 2017, reimbursement rates for non-state-owned psychiatric medical institutions for children shall be based on the reimbursement methodology in effect on June 30, 2017.

(2) As a condition of participation in the medical assistance program, enrolled providers shall accept the medical assistance reimbursement rate for any covered goods or services provided to recipients of medical assistance who are children under the custody of a psychiatric medical institution for children.

j. For the fiscal year beginning July 1, 2017, unless otherwise specified in this Act, all noninstitutional medical assistance provider reimbursement rates shall remain at the rates in effect on June 30, 2017, except for area education agencies, local education agencies, infant and toddler services providers, home and community-based services providers including consumer-directed attendant care providers under a section 1915(c) or 1915(i) waiver, targeted case management providers, and those providers whose rates are required to be determined pursuant to [section 249A.20](#).

k. Notwithstanding any provision to the contrary, for the fiscal year beginning July 1, 2017, the reimbursement rate for anesthesiologists shall be adjusted to implement the cost containment strategies authorized for the medical assistance program in this 2017 Act.

l. Notwithstanding [section 249A.20](#), for the fiscal year beginning July 1, 2017, the average reimbursement rate for health care providers eligible for use of the federal Medicare resource-based relative value scale reimbursement methodology under [section 249A.20](#) shall remain at the rate in effect on June 30, 2017; however, this rate shall not exceed the maximum level authorized by the federal government.

m. For the fiscal year beginning July 1, 2017, the reimbursement rate for residential care facilities shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement. The flat reimbursement rate for facilities electing not to file annual cost reports shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

n. For the fiscal year beginning July 1, 2017, the reimbursement rates for inpatient mental health services provided at hospitals shall remain at the rates in effect on June 30, 2017, subject to Medicaid program upper payment limit rules; and psychiatrists shall be reimbursed at the medical assistance program fee-for-service rate in effect on June 30, 2017.

o. For the fiscal year beginning July 1, 2017, community mental health centers may choose to be reimbursed for the services provided to recipients of medical assistance through either of the following options:

(1) For 100 percent of the reasonable costs of the services.

(2) In accordance with the alternative reimbursement rate methodology approved by the department of human services in effect on June 30, 2017.

p. For the fiscal year beginning July 1, 2017, the reimbursement rate for providers of family planning services that are eligible to receive a 90 percent federal match shall remain at the rates in effect on June 30, 2017.

q. Unless otherwise subject to a tiered rate methodology, for the fiscal year beginning July 1, 2017, the upper limits and reimbursement rates for providers of home and community-based services waiver services shall be reimbursed using the reimbursement methodology in effect on June 30, 2017.

r. For the fiscal year beginning July 1, 2017, the reimbursement rates for emergency medical service providers shall remain at the rates in effect on June 30, 2017.

s. For the fiscal year beginning July 1, 2017, reimbursement rates for substance-related disorder treatment programs licensed under [section 125.13](#) shall remain at the rates in effect on June 30, 2017.

2. For the fiscal year beginning July 1, 2017, the reimbursement rate for providers reimbursed under the in-home-related care program shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

3. Unless otherwise directed in this section, when the department's reimbursement methodology for any provider reimbursed in accordance with this section includes an inflation factor, this factor shall not exceed the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31, 2002.

4. Notwithstanding [section 234.38](#), for the fiscal year beginning July 1, 2017, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$16.78, the rate for children ages 6 through 11 years shall be \$17.45, the rate for children ages 12 through 15 years shall be \$19.10, and the rate for children and young adults ages 16 and older shall be \$19.35. For youth ages 18 to 21 who have exited foster care, the preparation for adult living program maintenance rate shall be \$602.70 per month. The maximum payment for adoption subsidy nonrecurring expenses shall be limited to \$500 and the disallowance of additional amounts for court costs and other related legal expenses implemented pursuant to [2010 Iowa Acts, chapter 1031, section 408](#), shall be continued.

5. For the fiscal year beginning July 1, 2017, the maximum reimbursement rates for social services providers under contract shall remain at the rates in effect on June 30, 2017, or the provider's actual and allowable cost plus inflation for each service, whichever is less. However, if a new service or service provider is added after June 30, 2017, the initial reimbursement rate for the service or provider shall be based upon a weighted average of provider rates for similar services.

6. a. For the fiscal year beginning July 1, 2017, the reimbursement rates for resource family recruitment and retention contractors shall be established by contract.

b. For the fiscal year beginning July 1, 2017, the reimbursement rates for supervised apartment living foster care providers shall be established by contract.

7. a. For the purposes of this subsection, "combined reimbursement rate" means the combined service and maintenance reimbursement rate for a service level under the department's reimbursement methodology. Effective July 1, 2017, the combined reimbursement rate for a group foster care service level shall be the amount designated in this subsection. However, if a group foster care provider's reimbursement rate for a service level as of June 30, 2017, is more than the rate designated in this subsection, the provider's reimbursement shall remain at the higher rate.

b. Unless a group foster care provider is subject to the exception provided in paragraph "a", effective July 1, 2017, the combined reimbursement rates for the service levels under the department's reimbursement methodology shall be as follows:

(1) For service level, community - D1, the daily rate shall be at least \$84.17.

(2) For service level, comprehensive - D2, the daily rate shall be at least \$119.09.

(3) For service level, enhanced - D3, the daily rate shall be at least \$131.09.

8. The group foster care reimbursement rates paid for placement of children out of state shall be calculated according to the same rate-setting principles as those used for in-state providers, unless the director of human services or the director's designee determines that appropriate care cannot be provided within the state. The payment of the daily rate shall be based on the number of days in the calendar month in which service is provided.

9. a. For the fiscal year beginning July 1, 2017, the reimbursement rate paid for shelter care and the child welfare emergency services implemented to provide or prevent the need for shelter care shall be established by contract.

b. For the fiscal year beginning July 1, 2017, the combined service and maintenance components of the reimbursement rate paid for shelter care services shall be based on the financial and statistical report submitted to the department. The maximum reimbursement rate shall be \$101.83 per day. The department shall reimburse a shelter care provider at the provider's actual and allowable unit cost, plus inflation, not to exceed the maximum reimbursement rate.

c. Notwithstanding [section 232.141, subsection 8](#), for the fiscal year beginning July 1, 2017, the amount of the statewide average of the actual and allowable rates for reimbursement of juvenile shelter care homes that is utilized for the limitation on recovery of unpaid costs shall remain at the amount in effect for this purpose in the fiscal year beginning July 1, 2016.

10. For the fiscal year beginning July 1, 2017, the department shall calculate reimbursement rates for intermediate care facilities for persons with an intellectual disability at the 80th percentile. Beginning July 1, 2017, the rate calculation methodology shall utilize the consumer price index inflation factor applicable to the fiscal year beginning July 1, 2017.

11. For the fiscal year beginning July 1, 2017, for child care providers reimbursed under the state child care assistance program, the department shall set provider reimbursement rates based on the rate reimbursement survey completed in December 2004. Effective July 1, 2017, the child care provider reimbursement rates shall remain at the rates in effect on June 30, 2017. The department shall set rates in a manner so as to provide incentives for a nonregistered provider to become registered by applying the increase only to registered and licensed providers.

12. For the fiscal year beginning July 1, 2017, affected providers or services shall be reimbursed as follows:

a. For fee-for-service claims, a rate or reimbursement shall be calculated based on the methodology otherwise specified in this section for the fiscal year beginning July 1, 2017, for the respective provider or service.

b. For claims subject to a managed care contract with the exception of any provider or service to which a rate or reimbursement increase is applicable for the fiscal year under this section, the rate or reimbursement shall be based on the methodology established by the managed care contract. However, any rate or reimbursement established under such contract shall not be lower than the rate or reimbursement floor established by the department of human services as the managed care organization rate or reimbursement floor for a respective provider or service in effect on April 1, 2016.

13. Notwithstanding any provision to the contrary, reimbursement rates and methodologies under this section may be adjusted as necessary to implement the cost containment strategies authorized for the medical assistance program in this 2017 Act.

14. The department may adopt emergency rules to implement this section.

Sec. 32. EMERGENCY RULES.

1. If specifically authorized by a provision of this division of this Act, the department of human services or the mental health and disability services commission may adopt administrative rules under [section 17A.4, subsection 3](#), and [section 17A.5, subsection 2, paragraph "b"](#), to implement the provisions of this division of this Act and the rules shall become effective immediately upon filing or on a later effective date specified in the rules, unless the effective date of the rules is delayed or the applicability of the rules is suspended by the administrative rules review committee. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. The delay authority provided to the administrative rules review committee under [section 17A.4, subsection 7](#), and [section 17A.8, subsection 9](#), shall be applicable to a delay imposed under this section, notwithstanding a provision in those sections making them inapplicable to [section 17A.5, subsection 2, paragraph "b"](#). Any rules adopted in accordance with the provisions of this section shall also be published as a notice of intended action as provided in [section 17A.4](#).

2. If during a fiscal year, the department of human services is adopting rules in accordance with this section or as otherwise directed or authorized by state law, and the rules will result in an expenditure increase beyond the amount anticipated in the budget process or if the expenditure was not addressed in the budget process for the fiscal year, the department shall notify the persons designated by this division of this Act for submission of reports, the chairpersons and ranking members of the committees on appropriations, and the department of management concerning the rules and the expenditure increase. The

* Item veto; see message at end of the Act

notification shall be provided at least 30 calendar days prior to the date notice of the rules is submitted to the administrative rules coordinator and the administrative code editor.

Sec. 33. REPORTS. Any reports or other information required to be compiled and submitted under this Act during the fiscal year beginning July 1, 2017, shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, and the legislative caucus staffs on or before the dates specified for submission of the reports or information.

Sec. 34. TRANSFER OF MEDICAID MODERNIZATION SAVINGS BETWEEN APPROPRIATIONS FY 2017-2018. Notwithstanding section 8.39, subsection 1, for the fiscal year beginning July 1, 2017, if savings resulting from the governor’s Medicaid modernization initiative accrue to the medical contracts or children’s health insurance program appropriation from the general fund of the state and not to the medical assistance appropriation from the general fund of the state under this division of this Act, such savings may be transferred to such medical assistance appropriation for the same fiscal year without prior written consent and approval of the governor and the director of the department of management. The department of human services shall report any transfers made pursuant to this section to the legislative services agency.

Sec. 35. EFFECTIVE UPON ENACTMENT. The following provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The provision relating to section 232.141 and directing the state court administrator and the division administrator of the department of human services division of child and family services to make the determination, by June 15, 2017, of the distribution of funds allocated for the payment of the expenses of court-ordered services provided to juveniles which are a charge upon the state.

DIVISION VI
HEALTH CARE ACCOUNTS AND FUNDS — FY 2017-2018

Sec. 36. PHARMACEUTICAL SETTLEMENT ACCOUNT. There is appropriated from the pharmaceutical settlement account created in section 249A.33 to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Notwithstanding any provision of law to the contrary, to supplement the appropriations made in this Act for medical contracts under the medical assistance program for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

..... \$ 800,000

Sec. 37. QUALITY ASSURANCE TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the quality assurance trust fund created in section 249L.4 to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amounts, or so much thereof as is necessary, for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance for the same fiscal year:

..... \$ 36,705,208

Sec. 38. HOSPITAL HEALTH CARE ACCESS TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the hospital health care access trust fund created in section 249M.4 to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amounts, or so much thereof as is necessary, for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance for the same fiscal year:

..... \$ 33,920,554

Sec. 39. MEDICAL ASSISTANCE PROGRAM — NONREVERSION FOR FY 2017-2018. Notwithstanding section 8.33, if moneys appropriated for purposes of the medical assistance program for the fiscal year beginning July 1, 2017, and ending June 30, 2018, from the general fund of the state, the quality assurance trust fund and the hospital health care access trust fund, are in excess of actual expenditures for the medical assistance program and remain unencumbered or unobligated at the close of the fiscal year, the excess moneys shall not revert but shall remain available for expenditure for the purposes of the medical assistance program until the close of the succeeding fiscal year.

DIVISION VII
DEPARTMENT ON AGING — FY 2018-2019

Sec. 40. DEPARTMENT ON AGING. There is appropriated from the general fund of the state to the department on aging for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For aging programs for the department on aging and area agencies on aging to provide citizens of Iowa who are 60 years of age and older with case management for frail elders, Iowa’s aging and disabilities resource center, and other services which may include but are not limited to adult day services, respite care, chore services, information and assistance, and material aid, for information and options counseling for persons with disabilities who are 18 years of age or older, and for salaries, support, administration, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 5,521,238
..... FTEs 27.00

1. Funds appropriated in this section may be used to supplement federal funds under federal regulations. To receive funds appropriated in this section, a local area agency on aging shall match the funds with moneys from other sources according to rules adopted by the department. Funds appropriated in this section may be used for elderly services not specifically enumerated in this section only if approved by an area agency on aging for provision of the service within the area.

2. Of the funds appropriated in this section, \$139,973 is transferred to the economic development authority for the Iowa commission on volunteer services to be used for the retired and senior volunteer program.

3. a. The department on aging shall establish and enforce procedures relating to expenditure of state and federal funds by area agencies on aging that require compliance with both state and federal laws, rules, and regulations, including but not limited to all of the following:

(1) Requiring that expenditures are incurred only for goods or services received or performed prior to the end of the fiscal period designated for use of the funds.

(2) Prohibiting prepayment for goods or services not received or performed prior to the end of the fiscal period designated for use of the funds.

(3) Prohibiting the prepayment for goods or services not defined specifically by good or service, time period, or recipient.

(4) Prohibiting the establishment of accounts from which future goods or services which are not defined specifically by good or service, time period, or recipient, may be purchased.

b. The procedures shall provide that if any funds are expended in a manner that is not in compliance with the procedures and applicable federal and state laws, rules, and regulations, and are subsequently subject to repayment, the area agency on aging expending such funds in contravention of such procedures, laws, rules and regulations, not the state, shall be liable for such repayment.

4. Of the funds appropriated in this section, at least \$125,000 shall be used to fund the unmet needs identified through Iowa’s aging and disability resource center network.

5. Of the funds appropriated in this section, at least \$300,000 shall be used to fund home and community-based services through the area agencies on aging that enable older

individuals to avoid more costly utilization of residential or institutional services and remain in their own homes.

6. Of the funds appropriated in this section, \$406,268 shall be used for the purposes of chapter 231E and section 231.56A, of which \$175,000 shall be used for the office of substitute decision maker pursuant to chapter 231E, and the remainder shall be distributed equally to the area agencies on aging to administer the prevention of elder abuse, neglect, and exploitation program pursuant to section 231.56A, in accordance with the requirements of the federal Older Americans Act of 1965, 42 U.S.C. §3001 et seq., as amended.

7. Of the funds appropriated in this section, \$375,000 shall be used to fund continuation of the aging and disability resource center lifelong links to provide individuals and caregivers with information and services to plan for and maintain independence.

8. Notwithstanding section 8.39, for the fiscal year beginning July 1, 2018, the department may transfer funds within or between the allocations made in this division of this Act for the same fiscal year in accordance with departmental priorities. The department shall report any such transfers to the individuals specified in this Act for submission of reports. This subsection shall not be construed to prohibit the use of existing state transfer authority for other purposes.

DIVISION VIII
OFFICE OF LONG-TERM CARE OMBUDSMAN — FY 2018-2019

Sec. 41. OFFICE OF LONG-TERM CARE OMBUDSMAN. There is appropriated from the general fund of the state to the office of long-term care ombudsman for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, administration, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

	\$	580,140
	FTEs	16.00

DIVISION IX
DEPARTMENT OF PUBLIC HEALTH — FY 2018-2019

Sec. 42. DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the general fund of the state to the department of public health for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADDICTIVE DISORDERS

For reducing the prevalence of the use of tobacco, alcohol, and other drugs, and treating individuals affected by addictive behaviors, including gambling, and for not more than the following full-time equivalent positions:

	\$	12,492,915
	FTEs	10.00

a. (1) Of the funds appropriated in this subsection, \$2,010,612 shall be used for the tobacco use prevention and control initiative, including efforts at the state and local levels, as provided in chapter 142A. The commission on tobacco use prevention and control established pursuant to section 142A.3 shall advise the director of public health in prioritizing funding needs and the allocation of moneys appropriated for the programs and initiatives. Activities of the programs and initiatives shall be in alignment with the United States centers for disease control and prevention best practices for comprehensive tobacco control programs that include the goals of preventing youth initiation of tobacco usage, reducing exposure to secondhand smoke, and promotion of tobacco cessation. To maximize resources, the department shall determine if third-party sources are available to instead provide nicotine replacement products to an applicant prior to provision of such products to an applicant under the initiative. The department shall track and report to the individuals specified in this Act, any reduction in the provision of nicotine replacement products realized by the initiative through implementation of the prerequisite screening.

(2) (a) The department shall collaborate with the alcoholic beverages division of the department of commerce for enforcement of tobacco laws, regulations, and ordinances and to engage in tobacco control activities approved by the division of tobacco use prevention and control of the department of public health as specified in the memorandum of understanding entered into between the divisions.

(b) For the fiscal year beginning July 1, 2018, and ending June 30, 2019, the terms of the memorandum of understanding, entered into between the division of tobacco use prevention and control of the department of public health and the alcoholic beverages division of the department of commerce, governing compliance checks conducted to ensure licensed retail tobacco outlet conformity with tobacco laws, regulations, and ordinances relating to persons under 18 years of age, shall continue to restrict the number of such checks to one check per retail outlet, and one additional check for any retail outlet found to be in violation during the first check.

b. Of the funds appropriated in this subsection, \$10,482,303 shall be used for problem gambling and substance-related disorder prevention, treatment, and recovery services, including a 24-hour helpline, public information resources, professional training, youth prevention, and program evaluation.

c. The requirement of [section 123.17, subsection 5](#), is met by the appropriations and allocations made in this division of this Act for purposes of substance-related disorder treatment and addictive disorders for the fiscal year beginning July 1, 2018.

2. HEALTHY CHILDREN AND FAMILIES

For promoting the optimum health status for children, adolescents from birth through 21 years of age, and families, and for not more than the following full-time equivalent positions:

.....	\$	2,662,816
.....	FTEs	12.00

a. Of the funds appropriated in this subsection, not more than \$367,420 shall be used for the healthy opportunities for parents to experience success (HOPES)-healthy families Iowa (HFI) program established pursuant to [section 135.106](#). The funding shall be distributed to renew the grants that were provided to the grantees that operated the program during the fiscal year ending June 30, 2018.

b. In order to implement the legislative intent stated in [sections 135.106 and 256I.9](#), that priority for home visitation program funding be given to programs using evidence-based or promising models for home visitation, it is the intent of the general assembly to phase in the funding priority in accordance with [2012 Iowa Acts, chapter 1133, section 2, subsection 2, paragraph "0b"](#).

c. Of the funds appropriated in this subsection, \$1,537,550 shall be used for continuation of the department's initiative to provide for adequate developmental surveillance and screening during a child's first five years. The funds shall be used first to fully fund the current sites to ensure that the sites are fully operational, with the remaining funds to be used for expansion to additional sites. The full implementation and expansion shall include enhancing the scope of the initiative through collaboration with the child health specialty clinics to promote healthy child development through early identification and response to both biomedical and social determinants of healthy development; by monitoring child health metrics to inform practice, document long-term health impacts and savings, and provide for continuous improvement through training, education, and evaluation; and by providing for practitioner consultation particularly for children with behavioral conditions and needs. The department of public health shall also collaborate with the Iowa Medicaid enterprise and the child health specialty clinics to integrate the activities of the first five initiative into the establishment of patient-centered medical homes, community utilities, accountable care organizations, and other integrated care models developed to improve health quality and population health while reducing health care costs. To the maximum extent possible, funding allocated in this paragraph shall be utilized as matching funds for medical assistance program reimbursement.

d. Of the funds appropriated in this subsection, \$32,320 shall be distributed to a statewide dental carrier to provide funds to continue the donated dental services program patterned after the projects developed by the lifeline network to provide dental services to indigent individuals who are elderly or with disabilities.

e. Of the funds appropriated in this subsection, \$78,241 shall be used to provide audiological services and hearing aids for children. The department may enter into a contract to administer this paragraph.

f. Of the funds appropriated in this subsection, \$11,500 is transferred to the university of Iowa college of dentistry for provision of primary dental services to children. State funds shall be matched on a dollar-for-dollar basis. The university of Iowa college of dentistry shall coordinate efforts with the department of public health, bureau of oral and health delivery systems, to provide dental care to underserved populations throughout the state.

g. Of the funds appropriated in this subsection, \$25,000 shall be used to address youth suicide prevention.

h. Of the funds appropriated in this subsection, \$20,255 shall be used to support the Iowa effort to address the survey of children who experience adverse childhood experiences known as ACEs.

i. The department of public health shall continue to administer the program to assist parents in this state with costs resulting from the death of a child in accordance with the provisions of [2014 Iowa Acts, chapter 1140, section 22, subsection 12](#).

3. CHRONIC CONDITIONS

For serving individuals identified as having chronic conditions or special health care needs, and for not more than the following full-time equivalent positions:

.....	\$	2,085,375
.....	FTEs	5.00

a. Of the funds appropriated in this subsection, \$76,877 shall be used for grants to individual patients who have an inherited metabolic disorder to assist with the costs of medically necessary foods and formula.

b. Of the funds appropriated in this subsection, \$510,397 shall be used for the brain injury services program pursuant to [section 135.22B](#), including for contracting with an existing nationally affiliated and statewide organization whose purpose is to educate, serve, and support Iowans with brain injury and their families for resource facilitator services in accordance with [section 135.22B, subsection 9](#), and for contracting to enhance brain injury training and recruitment of service providers on a statewide basis. Of the amount allocated in this paragraph, \$47,500 shall be used to fund one full-time equivalent position to serve as the state brain injury services program manager.

c. Of the funds appropriated in this subsection, \$72,048 shall be used for the public purpose of continuing to contract with an existing national-affiliated organization to provide education, client-centered programs, and client and family support for people living with epilepsy and their families. The amount allocated in this paragraph in excess of \$50,000 shall be matched dollar-for-dollar by the organization specified.

d. Of the funds appropriated in this subsection, \$404,775 shall be used for child health specialty clinics.

e. Of the funds appropriated in this subsection, \$192,276 shall be used by the regional autism assistance program established pursuant to [section 256.35](#), and administered by the child health specialty clinic located at the university of Iowa hospitals and clinics. The funds shall be used to enhance interagency collaboration and coordination of educational, medical, and other human services for persons with autism, their families, and providers of services, including delivering regionalized services of care coordination, family navigation, and integration of services through the statewide system of regional child health specialty clinics and fulfilling other requirements as specified in [chapter 225D](#). The university of Iowa shall not receive funds allocated under this paragraph for indirect costs associated with the regional autism assistance program.

f. Of the funds appropriated in this subsection, \$288,687 shall be used for the comprehensive cancer control program to reduce the burden of cancer in Iowa through prevention, early detection, effective treatment, and ensuring quality of life. Of the funds allocated in this paragraph "f", \$75,000 shall be used to support a melanoma research symposium, a melanoma biorepository and registry, basic and translational melanoma research, and clinical trials.

g. Of the funds appropriated in this subsection, \$48,766 shall be used for cervical and colon cancer screening, and \$88,860 shall be used to enhance the capacity of the cervical

cancer screening program to include provision of recommended prevention and early detection measures to a broader range of low-income women.

h. Of the funds appropriated in this subsection, \$253,177 shall be used for the center for congenital and inherited disorders.

i. Of the funds appropriated in this subsection, \$107,631 shall be used by the department of public health for reform-related activities, including but not limited to facilitation of communication to stakeholders at the state and local level, administering the patient-centered health advisory council pursuant to [section 135.159](#), and involvement in health care system innovation activities occurring across the state.

j. Of the funds appropriated in this subsection, \$11,050 shall be used for administration of [chapter 124D](#), the medical cannabidiol Act.

4. COMMUNITY CAPACITY

For strengthening the health care delivery system at the local level, and for not more than the following full-time equivalent positions:

.....	\$	1,453,888
.....	FTEs	13.00

a. Of the funds appropriated in this subsection, \$47,787 is allocated for continuation of the child vision screening program implemented through the university of Iowa hospitals and clinics in collaboration with early childhood Iowa areas. The program shall submit a report to the individuals identified in this Act for submission of reports regarding the use of funds allocated under this paragraph "a". The report shall include the objectives and results for the program year including the target population and how the funds allocated assisted the program in meeting the objectives; the number, age, and location within the state of individuals served; the type of services provided to the individuals served; the distribution of funds based on service provided; and the continuing needs of the program.

b. Of the funds appropriated in this subsection, \$52,828 is allocated for continuation of an initiative implemented at the university of Iowa to expand and improve the workforce engaged in mental health treatment and services. The initiative shall receive input from the university of Iowa, the department of human services, the department of public health, and the mental health and disability services commission to address the focus of the initiative.

c. Of the funds appropriated in this section, \$41,657 shall be deposited in the governmental public health system fund created in [section 135A.8](#) to be used for the purposes of the fund.

d. Of the funds appropriated in this subsection, \$24,034 shall be used for a grant to a statewide association of psychologists that is affiliated with the American psychological association to be used for continuation of a program to rotate intern psychologists in placements in urban and rural mental health professional shortage areas, as defined in [section 135.180](#).

e. Of the funds appropriated in this subsection, the following amounts are allocated to be used as follows to support the Iowa collaborative safety net provider network goals of increased access, health system integration, and engagement.

(1) Not less than \$260,931 is allocated to the Iowa prescription drug corporation for continuation of the pharmaceutical infrastructure for safety net providers as described in [2007 Iowa Acts, chapter 218, section 108](#), and for the prescription drug donation repository program created in [chapter 135M](#).

(2) Not less than \$167,435 is allocated to free clinics and free clinics of Iowa for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in securing a medical home inclusive of oral health care.

(3) Not less than \$12,500 is allocated to the Iowa association of rural health clinics for necessary infrastructure and service delivery transformation.

(4) Not less than \$50,000 is allocated to the Polk county medical society for continuation of the safety net provider patient access to a specialty health care initiative as described in [2007 Iowa Acts, chapter 218, section 109](#).

f. Of the funds appropriated in this subsection, \$38,115 shall be used by the department in implementing the recommendations in the final report submitted by the direct care worker advisory council to the governor and the general assembly in March 2012, including by continuing to develop, promote, and make available on a statewide basis the prepare-to-care core curriculum and its associated modules and specialties through various formats including

online access, community colleges, and other venues; exploring new and maintaining existing specialties including but not limited to oral health and dementia care; supporting instructor training; and assessing and making recommendations concerning the Iowa care book and information technology systems and infrastructure uses and needs.

g. Of the funds appropriated in this subsection, \$95,594 shall be allocated for continuation of the contract with an independent statewide direct care worker organization previously selected through a request for proposals process. The contract shall continue to include performance and outcomes measures, and shall continue to allow the contractor to use a portion of the funds received under the contract to collect data to determine results based on the performance and outcomes measures.

h. Of the funds appropriated in this subsection, the department may use up to \$29,087 for up to one full-time equivalent position to administer the volunteer health care provider program pursuant to [section 135.24](#).

i. Of the funds appropriated in this subsection, \$48,069 shall be used for a matching dental education loan repayment program to be allocated to a dental nonprofit health service corporation to continue to develop the criteria and implement the loan repayment program.

j. Of the funds appropriated in this subsection, \$26,455 is transferred to the college student aid commission for deposit in the rural Iowa primary care trust fund created in [section 261.113](#) to be used for the purposes of the fund.

k. Of the funds appropriated in this subsection, \$75,000 shall be used for the purposes of the Iowa donor registry as specified in [section 142C.18](#).

l. Of the funds appropriated in this subsection, \$48,069 shall be used for continuation of a grant to a nationally affiliated volunteer eye organization that has an established program for children and adults and that is solely dedicated to preserving sight and preventing blindness through education, nationally certified vision screening and training, and community and patient service programs. The organization shall submit a report to the individuals identified in this Act for submission of reports regarding the use of funds allocated under this paragraph "l". The report shall include the objectives and results for the program year including the target population and how the funds allocated assisted the program in meeting the objectives; the number, age, and location within the state of individuals served; the type of services provided to the individuals served; the distribution of funds based on services provided; and the continuing needs of the program.

m. Of the funds appropriated in this subsection, \$436,327 shall be deposited in the medical residency training account created in [section 135.175](#), [subsection 5](#), paragraph "a", and is appropriated from the account to the department of public health to be used for the purposes of the medical residency training state matching grants program as specified in [section 135.176](#).

5. ESSENTIAL PUBLIC HEALTH SERVICES

To provide public health services that reduce risks and invest in promoting and protecting good health over the course of a lifetime with a priority given to older Iowans and vulnerable populations:

..... \$ 4,098,939

6. INFECTIOUS DISEASES

For reducing the incidence and prevalence of communicable diseases, and for not more than the following full-time equivalent positions:

..... \$ 823,213

..... FTEs 4.00

7. PUBLIC PROTECTION

For protecting the health and safety of the public through establishing standards and enforcing regulations, and for not more than the following full-time equivalent positions:

..... \$ 2,097,569

..... FTEs 138.00

a. Of the funds appropriated in this subsection, not more than \$152,350 shall be credited to the emergency medical services fund created in [section 135.25](#). Moneys in the emergency medical services fund are appropriated to the department to be used for the purposes of the fund.

b. Of the funds appropriated in this subsection, up to \$121,630 shall be used for sexual violence prevention programming through a statewide organization representing programs serving victims of sexual violence through the department’s sexual violence prevention program, and for continuation of a training program for sexual assault response team (SART) members, including representatives of law enforcement, victim advocates, prosecutors, and certified medical personnel. The amount allocated in this paragraph “b” shall not be used to supplant funding administered for other sexual violence prevention or victims assistance programs.

c. Of the funds appropriated in this subsection, up to \$287,813 shall be used for the state poison control center. Pursuant to the directive under [2014 Iowa Acts, chapter 1140, section 102](#), the federal matching funds available to the state poison control center from the department of human services under the federal Children’s Health Insurance Program Reauthorization Act allotment shall be subject to the federal administrative cap rule of 10 percent applicable to funding provided under Tit. XXI of the federal Social Security Act and included within the department’s calculations of the cap.

d. Of the funds appropriated in this subsection, up to \$258,491 shall be used for childhood lead poisoning provisions.

8. RESOURCE MANAGEMENT

For establishing and sustaining the overall ability of the department to deliver services to the public, and for not more than the following full-time equivalent positions:

.....	\$	485,607
.....	FTEs	4.00

9. MISCELLANEOUS PROVISIONS

The university of Iowa hospitals and clinics under the control of the state board of regents shall not receive indirect costs from the funds appropriated in this section. The university of Iowa hospitals and clinics billings to the department shall be on at least a quarterly basis.

10. GENERAL REDUCTION

For the period beginning July 1, 2018, and ending June 30, 2019, the department of public health, in consultation with the department of management, shall identify and implement a reduction in expenditures made from appropriations from the general fund of the state to the department of public health in the amount of \$640,683.

11. TRANSFERS

Notwithstanding [section 8.39](#), for the fiscal year beginning July 1, 2018, the department may transfer funds within or between any of the allocations or appropriations made in this division of this Act for the same fiscal year, to be used in accordance with departmental priorities as specified in the department’s report to the general assembly submitted pursuant to [2016 Iowa Acts, chapter 1139, section 3](#). The department shall report any such transfers to the individuals specified in this Act for submission of reports. This subsection shall not be construed to prohibit the use of existing state transfer authority for other purposes.

DIVISION X
DEPARTMENT OF VETERANS AFFAIRS — FY 2018-2019

Sec. 43. DEPARTMENT OF VETERANS AFFAIRS. There is appropriated from the general fund of the state to the department of veterans affairs for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	571,278
.....	FTEs	15.00

2. IOWA VETERANS HOME

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	3,614,070
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a. The Iowa veterans home billings involving the department of human services shall be submitted to the department on at least a monthly basis.

b. Within available resources and in conformance with associated state and federal program eligibility requirements, the Iowa veterans home may implement measures to provide financial assistance to or on behalf of veterans or their spouses who are participating in the community reentry program.

*c. *The Iowa veterans home expenditure report shall be submitted monthly to the legislative services agency.**

d. The Iowa veterans home shall continue to include in the annual discharge report applicant information and to provide for the collection of demographic information including but not limited to the number of individuals applying for admission and admitted or denied admittance and the basis for the admission or denial; the age, gender, and race of such individuals; and the level of care for which such individuals applied for admission including residential or nursing level of care.

3. HOME OWNERSHIP ASSISTANCE PROGRAM

For transfer to the Iowa finance authority for the continuation of the home ownership assistance program for persons who are or were eligible members of the armed forces of the United States, pursuant to [section 16.54](#):

..... \$ 1,000,000

Sec. 44. LIMITATION OF COUNTY COMMISSIONS OF VETERAN AFFAIRS FUND STANDING APPROPRIATIONS. Notwithstanding the standing appropriation in [section 35A.16](#) for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the amount appropriated from the general fund of the state pursuant to that section for the following designated purposes shall not exceed the following amount:

For the county commissions of veteran affairs fund under [section 35A.16](#):

..... \$ 473,962

DIVISION XI
DEPARTMENT OF HUMAN SERVICES — FY 2018-2019

Sec. 45. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is appropriated from the fund created in [section 8.41](#) to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, from moneys received under the federal temporary assistance for needy families (TANF) block grant pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and successor legislation, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. To be credited to the family investment program account and used for assistance under the family investment program under [chapter 239B](#):

..... \$ 2,556,231

2. To be credited to the family investment program account and used for the job opportunities and basic skills (JOBS) program and implementing family investment agreements in accordance with [chapter 239B](#):

..... \$ 2,787,846

3. To be used for the family development and self-sufficiency grant program in accordance with [section 216A.107](#):

..... \$ 1,449,490

Notwithstanding [section 8.33](#), moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year. However, unless such moneys are encumbered or obligated on or before September 30, 2019, the moneys shall revert.

4. For field operations:

..... \$ 15,648,116

5. For general administration:

..... \$ 1,872,000

* Item veto; see message at end of the Act

6. For state child care assistance:

..... \$ 23,933,413

a. Of the funds appropriated in this subsection, \$13,164,048 is transferred to the child care and development block grant appropriation made by the Eighty-seventh General Assembly, 2018 session, for the federal fiscal year beginning October 1, 2018, and ending September 30, 2019. Of this amount, \$100,000 shall be used for provision of educational opportunities to registered child care home providers in order to improve services and programs offered by this category of providers and to increase the number of providers. The department may contract with institutions of higher education or child care resource and referral centers to provide the educational opportunities. Allowable administrative costs under the contracts shall not exceed 5 percent. The application for a grant shall not exceed two pages in length.

b. Any funds appropriated in this subsection remaining unallocated shall be used for state child care assistance payments for families who are employed including but not limited to individuals enrolled in the family investment program.

7. For child and family services:

..... \$ 16,190,327

8. For child abuse prevention grants:

..... \$ 62,500

9. For pregnancy prevention grants on the condition that family planning services are funded:

..... \$ 965,033

Pregnancy prevention grants shall be awarded to programs in existence on or before July 1, 2018, if the programs have demonstrated positive outcomes. Grants shall be awarded to pregnancy prevention programs which are developed after July 1, 2018, if the programs are based on existing models that have demonstrated positive outcomes. Grants shall comply with the requirements provided in [1997 Iowa Acts, chapter 208, section 14, subsections 1 and 2](#), including the requirement that grant programs must emphasize sexual abstinence. Priority in the awarding of grants shall be given to programs that serve areas of the state which demonstrate the highest percentage of unplanned pregnancies of females of childbearing age within the geographic area to be served by the grant.

10. For technology needs and other resources necessary to meet federal welfare reform reporting, tracking, and case management requirements:

..... \$ 518,593

11. a. Notwithstanding any provision to the contrary, including but not limited to requirements in [section 8.41](#) or provisions in 2017 or 2018 Iowa Acts regarding the receipt and appropriation of federal block grants, federal funds from the temporary assistance for needy families block grant received by the state and not otherwise appropriated in this section and remaining available for the fiscal year beginning July 1, 2018, are appropriated to the department of human services to the extent as may be necessary to be used in the following priority order: the family investment program, for state child care assistance program payments for families who are employed, and for the family investment program share of costs to develop and maintain a new, integrated eligibility determination system. The federal funds appropriated in this paragraph “a” shall be expended only after all other funds appropriated in subsection 1 for assistance under the family investment program, in subsection 6 for child care assistance, or in subsection 10 for technology costs related to the family investment program, as applicable, have been expended. For the purposes of this subsection, the funds appropriated in subsection 6, paragraph “a”, for transfer to the child care and development block grant appropriation are considered fully expended when the full amount has been transferred.

b. The department shall, on a quarterly basis, advise the legislative services agency and department of management of the amount of funds appropriated in this subsection that was expended in the prior quarter.

12. Of the amounts appropriated in this section, \$6,481,004 for the fiscal year beginning July 1, 2018, is transferred to the appropriation of the federal social services block grant made to the department of human services for that fiscal year.

13. For continuation of the program providing categorical eligibility for the food assistance program as specified for the program in the section of this division of this Act relating to the family investment program account:

..... \$ 12,500

14. The department may transfer funds allocated in this section to the appropriations made in this division of this Act for the same fiscal year for general administration and field operations for resources necessary to implement and operate the services referred to in this section and those funded in the appropriation made in this division of this Act for the same fiscal year for the family investment program from the general fund of the state.

15. With the exception of moneys allocated under this section for the family development and self-sufficiency grant program, to the extent moneys allocated in this section are deemed by the department not to be necessary to support the purposes for which they are allocated, such moneys may be credited to the family investment program account as specified under subsection 1 of this section and used for the purposes of assistance under the family investment program under [chapter 239B](#) in the same fiscal year.

Sec. 46. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program (FIP) account for the fiscal year beginning July 1, 2018, and ending June 30, 2019, shall be used to provide assistance in accordance with [chapter 239B](#).

2. The department may use a portion of the moneys credited to the FIP account under this section as necessary for salaries, support, maintenance, and miscellaneous purposes.

3. The department may transfer funds allocated in subsection 4 to the appropriations made in this division of this Act for the same fiscal year for general administration and field operations for resources necessary to implement and operate the family investment program services referred to in this section and those funded in the appropriation made in this division of this Act for the same fiscal year for the family investment program from the general fund of the state.

4. Moneys appropriated in this division of this Act and credited to the FIP account for the fiscal year beginning July 1, 2018, and ending June 30, 2019, are allocated as follows:

a. To be retained by the department of human services to be used for coordinating with the department of human rights to more effectively serve participants in FIP and other shared clients and to meet federal reporting requirements under the federal temporary assistance for needy families block grant:

..... \$ 10,000

b. To the department of human rights for staffing, administration, and implementation of the family development and self-sufficiency grant program in accordance with [section 216A.107](#):

..... \$ 3,096,417

(1) Of the funds allocated for the family development and self-sufficiency grant program in this paragraph “b”, not more than 5 percent of the funds shall be used for the administration of the grant program.

(2) The department of human rights may continue to implement the family development and self-sufficiency grant program statewide during fiscal year 2018-2019.

(3) The department of human rights may engage in activities to strengthen and improve family outcomes measures and data collection systems under the family development and self-sufficiency grant program.

c. For the diversion subaccount of the FIP account:

..... \$ 407,500

A portion of the moneys allocated for the subaccount may be used for field operations, salaries, data management system development, and implementation costs and support deemed necessary by the director of human services in order to administer the FIP diversion program. To the extent moneys allocated in this paragraph “c” are deemed by the department not to be necessary to support diversion activities, such moneys may be used for other efforts intended to increase engagement by family investment program participants in work, education, or training activities, or for the purposes of assistance under the family investment program in accordance with [chapter 239B](#).

d. For the food assistance employment and training program:

..... \$ 33,294

(1) The department shall apply the federal supplemental nutrition assistance program (SNAP) employment and training state plan in order to maximize to the fullest extent permitted by federal law the use of the 50 percent federal reimbursement provisions for the claiming of allowable federal reimbursement funds from the United States department of agriculture pursuant to the federal SNAP employment and training program for providing education, employment, and training services for eligible food assistance program participants, including but not limited to related dependent care and transportation expenses.

(2) The department shall continue the categorical federal food assistance program eligibility at 160 percent of the federal poverty level and continue to eliminate the asset test from eligibility requirements, consistent with federal food assistance program requirements. The department shall include as many food assistance households as is allowed by federal law. The eligibility provisions shall conform to all federal requirements including requirements addressing individuals who are incarcerated or otherwise ineligible.

e. For the JOBS program:

..... \$ 6,761,645

5. Of the child support collections assigned under FIP, an amount equal to the federal share of support collections shall be credited to the child support recovery appropriation made in this division of this Act. Of the remainder of the assigned child support collections received by the child support recovery unit, a portion shall be credited to the FIP account, a portion may be used to increase recoveries, and a portion may be used to sustain cash flow in the child support payments account. If as a consequence of the appropriations and allocations made in this section the resulting amounts are insufficient to sustain cash assistance payments and meet federal maintenance of effort requirements, the department shall seek supplemental funding. If child support collections assigned under FIP are greater than estimated or are otherwise determined not to be required for maintenance of effort, the state share of either amount may be transferred to or retained in the child support payments account.

6. The department may adopt emergency rules for the family investment, JOBS, food assistance, and medical assistance programs if necessary to comply with federal requirements.

Sec. 47. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To be credited to the family investment program (FIP) account and used for family investment program assistance under [chapter 239B](#):

..... \$ 21,502,240

1. Of the funds appropriated in this section, \$3,973,798 is allocated for the JOBS program.

2. Of the funds appropriated in this section, \$1,656,927 is allocated for the family development and self-sufficiency grant program.

3. Notwithstanding [section 8.39](#), for the fiscal year beginning July 1, 2018, if necessary to meet federal maintenance of effort requirements or to transfer federal temporary assistance for needy families block grant funding to be used for purposes of the federal social services block grant or to meet cash flow needs resulting from delays in receiving federal funding or to implement, in accordance with this division of this Act, activities currently funded with juvenile court services, county, or community moneys and state moneys used in combination with such moneys; to comply with federal requirements; or to maximize the use of federal funds, the department of human services may transfer funds within or between any of the appropriations made in this division of this Act and appropriations in law for the federal social services block grant to the department for the following purposes, provided that the combined amount of state and federal temporary assistance for needy families block grant funding for each appropriation remains the same before and after the transfer:

a. For the family investment program.

b. For child care assistance.

- c. For child and family services.
- d. For field operations.
- e. For general administration.

This subsection shall not be construed to prohibit the use of existing state transfer authority for other purposes. The department shall report any transfers made pursuant to this subsection to the legislative services agency.

4. Of the funds appropriated in this section, \$97,839 shall be used for continuation of a grant to an Iowa-based nonprofit organization with a history of providing tax preparation assistance to low-income Iowans in order to expand the usage of the earned income tax credit. The purpose of the grant is to supply this assistance to underserved areas of the state.

5. Of the funds appropriated in this section, \$30,000 shall be used for the continuation of an unfunded pilot project, as defined in [441 IAC 100.1](#), relating to parental obligations, in which the child support recovery unit participates, to support the efforts of a nonprofit organization committed to strengthening the community through youth development, healthy living, and social responsibility headquartered in a county with a population over 350,000 according to the latest certified federal census. The funds allocated in this subsection shall be used by the recipient organization to develop a larger community effort, through public and private partnerships, to support a broad-based multi-county fatherhood initiative that promotes payment of child support obligations, improved family relationships, and full-time employment.

6. The department may transfer funds appropriated in this section to the appropriations made in this division of this Act for general administration and field operations as necessary to administer this section and the overall family investment program.

Sec. 48. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For child support recovery, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	6,293,317
.....	FTEs	459.00

1. The department shall expend up to \$12,164, including federal financial participation, for the fiscal year beginning July 1, 2018, for a child support public awareness campaign. The department and the office of the attorney general shall cooperate in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.

2. Federal access and visitation grant moneys shall be issued directly to private not-for-profit agencies that provide services designed to increase compliance with the child access provisions of court orders, including but not limited to neutral visitation sites and mediation services.

3. The appropriation made to the department for child support recovery may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for cash flow management purposes the department may temporarily draw more than the amount appropriated, provided the amount appropriated is not exceeded at the close of the fiscal year.

4. With the exception of the funding amount specified, the requirements established under [2001 Iowa Acts, chapter 191, section 3, subsection 5, paragraph "c"](#), subparagraph (3), shall be applicable to parental obligation pilot projects for the fiscal year beginning July 1, 2018, and ending June 30, 2019. Notwithstanding [441 IAC 100.8](#), providing for termination of rules relating to the pilot projects, the rules shall remain in effect until June 30, 2019.

Sec. 49. HEALTH CARE TRUST FUND — MEDICAL ASSISTANCE — FY 2018-2019. Any funds remaining in the health care trust fund created in [section 453A.35A](#) for the fiscal year beginning July 1, 2018, and ending June 30, 2019, are appropriated to the department of human services to supplement the medical assistance program appropriations

made in this division of this Act, for medical assistance reimbursement and associated costs, including program administration and costs associated with program implementation.

Sec. 50. MEDICAID FRAUD FUND — MEDICAL ASSISTANCE — FY 2018-2019. Any funds remaining in the Medicaid fraud fund created in [section 249A.50](#) for the fiscal year beginning July 1, 2018, and ending June 30, 2019, are appropriated to the department of human services to supplement the medical assistance appropriations made in this division of this Act, for medical assistance reimbursement and associated costs, including program administration and costs associated with program implementation.

Sec. 51. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance program reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2018, except as otherwise expressly authorized by law, consistent with options under federal law and regulations, and contingent upon receipt of approval from the office of the governor of reimbursement for each abortion performed under the program:

..... \$ 642,202,870

1. Iowans support reducing the number of abortions performed in our state. Funds appropriated under this section shall not be used for abortions, unless otherwise authorized under this section.

2. The provisions of this section relating to abortions shall also apply to the Iowa health and wellness plan created pursuant to [chapter 249N](#).

3. The department shall utilize not more than \$30,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in [1992 Iowa Acts, Second Extraordinary Session, chapter 1001, section 409, subsection 6](#). Of the funds allocated in this subsection, not more than \$2,500 may be expended for administrative purposes.

4. Of the funds appropriated in this Act to the department of public health for addictive disorders, \$475,000 for the fiscal year beginning July 1, 2018, is transferred to the department of human services for an integrated substance-related disorder managed care system. The departments of human services and public health shall work together to maintain the level of mental health and substance-related disorder treatment services provided by the managed care contractors. Each department shall take the steps necessary to continue the federal waivers as necessary to maintain the level of services.

5. a. The department shall aggressively pursue options for providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnostic, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department’s exception to policy provisions, but who have health care needs in excess of the funding available through the exception to policy provisions.

b. Of the funds appropriated in this section, \$50,000 shall be used for participation in one or more pilot projects operated by a private provider to allow the individual or individuals to receive service in the community in accordance with principles established in *Olmstead v. L.C.*, 527 U.S. 581 (1999), for the purpose of providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnostic, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department’s exception to policy provisions, but who have health care needs in excess of the funding available through the exception to the policy provisions.

6. Of the funds appropriated in this section, up to \$1,525,041 may be transferred to the field operations or general administration appropriations in this division of this Act for operational costs associated with Part D of the federal Medicare Prescription Drug Improvement and Modernization Act of 2003, Pub. L. No. 108-173.

7. Of the funds appropriated in this section, up to \$221,050 may be transferred to the appropriation in this division of this Act for medical contracts to be used for clinical assessment services and prior authorization of services.

8. A portion of the funds appropriated in this section may be transferred to the appropriations in this division of this Act for general administration, medical contracts, the children's health insurance program, or field operations to be used for the state match cost to comply with the payment error rate measurement (PERM) program for both the medical assistance and children's health insurance programs as developed by the centers for Medicare and Medicaid services of the United States department of health and human services to comply with the federal Improper Payments Information Act of 2002, Pub. L. No. 107-300.

9. The department shall continue to implement the recommendations of the assuring better child health and development initiative II (ABCDII) clinical panel to the Iowa early and periodic screening, diagnostic, and treatment services healthy mental development collaborative board regarding changes to billing procedures, codes, and eligible service providers.

10. Of the funds appropriated in this section, a sufficient amount is allocated to supplement the incomes of residents of nursing facilities, intermediate care facilities for persons with mental illness, and intermediate care facilities for persons with an intellectual disability, with incomes of less than \$50 in the amount necessary for the residents to receive a personal needs allowance of \$50 per month pursuant to [section 249A.30A](#).

11. a. Hospitals that meet the conditions specified in subparagraphs (1) and (2) shall either certify public expenditures or transfer to the medical assistance program an amount equal to provide the nonfederal share for a disproportionate share hospital payment in an amount up to the hospital-specific limit as approved in the Medicaid state plan. The hospitals that meet the conditions specified shall receive and retain 100 percent of the total disproportionate share hospital payment in an amount up to the hospital-specific limit as approved in the Medicaid state plan.

(1) The hospital qualifies for disproportionate share and graduate medical education payments.

(2) The hospital is an Iowa state-owned hospital with more than 500 beds and eight or more distinct residency specialty or subspecialty programs recognized by the American college of graduate medical education.

b. Distribution of the disproportionate share payments shall be made on a monthly basis. The total amount of disproportionate share payments including graduate medical education, enhanced disproportionate share, and Iowa state-owned teaching hospital payments shall not exceed the amount of the state's allotment under Pub. L. No. 102-234. In addition, the total amount of all disproportionate share payments shall not exceed the hospital-specific disproportionate share limits under Pub. L. No. 103-66.

12. One hundred percent of the nonfederal share of payments to area education agencies that are medical assistance providers for medical assistance-covered services provided to medical assistance-covered children, shall be made from the appropriation made in this section.

13. A portion of the funds appropriated in this section may be transferred to the appropriation in this division of this Act for medical contracts to be used for administrative activities associated with the money follows the person demonstration project.

14. Of the funds appropriated in this section, \$174,505 shall be used for the administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes.

15. a. The department may increase the amounts allocated for salaries, support, maintenance, and miscellaneous purposes associated with the medical assistance program, as necessary, to implement cost containment strategies. The department shall report any such increase to the legislative services agency and the department of management.

b. If the savings to the medical assistance program from cost containment efforts exceed the cost for the fiscal year beginning July 1, 2018, the department may transfer any savings generated for the fiscal year due to medical assistance program cost containment efforts to the

appropriation made in this division of this Act for medical contracts or general administration to defray the increased contract costs associated with implementing such efforts.

16. For the fiscal year beginning July 1, 2018, and ending June 30, 2019, the replacement generation tax revenues required to be deposited in the property tax relief fund pursuant to [section 437A.8, subsection 4](#), paragraph “d”, and [section 437A.15, subsection 3](#), paragraph “f”, shall instead be credited to and supplement the appropriation made in this section and used for the allocations made in this section.

17. a. Of the funds appropriated in this section, up to \$25,000 may be transferred by the department to the appropriation made in this division of this Act to the department for the same fiscal year for general administration to be used for associated administrative expenses and for not more than one full-time equivalent position, in addition to those authorized for the same fiscal year, to be assigned to implementing the children’s mental health home project.

b. Of the funds appropriated in this section, up to \$200,000 may be transferred by the department to the appropriation made to the department in this division of this Act for the same fiscal year for Medicaid program-related general administration planning and implementation activities. The funds may be used for contracts or for personnel in addition to the amounts appropriated for and the positions authorized for general administration for the fiscal year.

c. Of the funds appropriated in this section, up to \$1,500,000 may be transferred by the department to the appropriations made in this division of this Act for the same fiscal year for general administration or medical contracts to be used to support the development and implementation of standardized assessment tools for persons with mental illness, an intellectual disability, a developmental disability, or a brain injury.

18. Of the funds appropriated in this section, \$75,000 shall be used for lodging expenses associated with care provided at the university of Iowa hospitals and clinics for patients with cancer whose travel distance is 30 miles or more and whose income is at or below 200 percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services. The department of human services shall establish the maximum number of overnight stays and the maximum rate reimbursed for overnight lodging, which may be based on the state employee rate established by the department of administrative services. The funds allocated in this subsection shall not be used as nonfederal share matching funds.

19. Of the funds appropriated in this section, up to \$1,691,940 shall be used for administration of the state family planning services program as enacted in this 2017 Act, and of this amount the department may use to up \$100,000 for administrative expenses.

20. The department shall report the implementation of any cost containment strategies to the individuals specified in this division of this Act for submission of reports upon implementation.

21. The department shall report the implementation of any process improvement changes and any related cost reductions to the individuals specified in this division of this Act for submission of reports upon implementation.

Sec. 52. MEDICAL CONTRACTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

..... \$ 8,813,232

1. The department of inspections and appeals shall provide all state matching funds for survey and certification activities performed by the department of inspections and appeals. The department of human services is solely responsible for distributing the federal matching funds for such activities.

2. Of the funds appropriated in this section, \$25,000 shall be used for continuation of home and community-based services waiver quality assurance programs, including the review and

* Item veto; see message at end of the Act

streamlining of processes and policies related to oversight and quality management to meet state and federal requirements.

3. Of the amount appropriated in this section, up to \$100,000 may be transferred to the appropriation for general administration in this division of this Act to be used for additional full-time equivalent positions in the development of key health initiatives such as cost containment, development and oversight of managed care programs, and development of health strategies targeted toward improved quality and reduced costs in the Medicaid program.

4. Of the funds appropriated in this section, \$500,000 shall be used for planning and development, in cooperation with the department of public health, of a phased-in program to provide a dental home for children.

5. Of the funds appropriated in this section, \$475,000 shall be credited to the autism support program fund created in section 225D.2 to be used for the autism support program created in chapter 225D, with the exception of the following amounts of this allocation which shall be used as follows:

a. Of the funds allocated in this subsection, \$125,000 shall be deposited in the board-certified behavior analyst and board-certified assistant behavior analyst grants program fund created in section 135.181, to be used for the purposes of the fund.

b. Of the funds allocated in this subsection, \$12,500 shall be used for the public purpose of continuation of a grant to a child welfare services provider headquartered in a county with a population between 205,000 and 215,000 in the latest certified federal census that provides multiple services including but not limited to a psychiatric medical institution for children, shelter, residential treatment, after school programs, school-based programming, and an Asperger’s syndrome program, to be used for support services for children with autism spectrum disorder and their families.

c. Of the funds allocated in this subsection, \$12,500 shall be used for the public purpose of continuing a grant to a hospital-based provider headquartered in a county with a population between 90,000 and 95,000 in the latest certified federal census that provides multiple services including but not limited to diagnostic, therapeutic, and behavioral services to individuals with autism spectrum disorder across one’s lifespan. The grant recipient shall utilize the funds to continue the pilot project to determine the necessary support services for children with autism spectrum disorder and their families to be included in the children’s disabilities services system. The grant recipient shall submit findings and recommendations based upon the results of the pilot project to the individuals specified in this division of this Act for submission of reports by December 31, 2018.

Sec. 53. STATE SUPPLEMENTARY ASSISTANCE.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the state supplementary assistance program:

..... \$ 5,186,329

2. The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security income and federal social security benefits are increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement this subsection.

3. If during the fiscal year beginning July 1, 2018, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-through requirement specified in Tit. XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. §1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this division of this Act to ensure that federal requirements are met. In addition, the department may make other programmatic and rate adjustments necessary to remain within the amount appropriated in this section while ensuring compliance with federal requirements. The department may adopt emergency rules to implement the provisions of this subsection.

Sec. 54. CHILDREN’S HEALTH INSURANCE PROGRAM.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For maintenance of the healthy and well kids in Iowa (hawk-i) program pursuant to [chapter 514I](#), including supplemental dental services, for receipt of federal financial participation under Tit. XXI of the federal Social Security Act, which creates the children’s health insurance program:

..... \$ 4,259,226

2. Of the funds appropriated in this section, \$21,400 is allocated for continuation of the contract for outreach with the department of public health.

Sec. 55. CHILD CARE ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child care programs:

..... \$ 19,671,808

1. Of the funds appropriated in this section, \$16,746,808 shall be used for state child care assistance in accordance with [section 237A.13](#).

2. Nothing in this section shall be construed or is intended as or shall imply a grant of entitlement for services to persons who are eligible for assistance due to an income level consistent with the waiting list requirements of [section 237A.13](#). Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

3. A list of the registered and licensed child care facilities operating in the area served by a child care resource and referral service shall be made available to the families receiving state child care assistance in that area.

4. Of the funds appropriated in this section, \$2,925,000 shall be credited to the early childhood programs grants account in the early childhood Iowa fund created in [section 256I.11](#). The moneys shall be distributed for funding of community-based early childhood programs targeted to children from birth through five years of age developed by early childhood Iowa areas in accordance with approved community plans as provided in [section 256I.8](#).

5. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child care assistance and related programs. For the purpose of expenditures of state and federal child care funding, funds shall be considered obligated at the time expenditures are projected or are allocated to the department’s service areas. Projections shall be based on current and projected caseload growth, current and projected provider rates, staffing requirements for eligibility determination and management of program requirements including data systems management, staffing requirements for administration of the program, contractual and grant obligations and any transfers to other state agencies, and obligations for decategorization or innovation projects.

6. A portion of the state match for the federal child care and development block grant shall be provided as necessary to meet federal matching funds requirements through the state general fund appropriation made for child development grants and other programs for at-risk children in [section 279.51](#).

7. If a uniform reduction ordered by the governor under [section 8.31](#) or other operation of law, transfer, or federal funding reduction reduces the appropriation made in this section for the fiscal year, the percentage reduction in the amount paid out to or on behalf of the families participating in the state child care assistance program shall be equal to or less than the percentage reduction made for any other purpose payable from the appropriation made in this section and the federal funding relating to it. The percentage reduction to the other allocations made in this section shall be the same as the uniform reduction ordered by the governor or the percentage change of the federal funding reduction, as applicable. If there is an unanticipated increase in federal funding provided for state child care assistance, the entire amount of the increase shall be used for state child care assistance payments.

If the appropriations made for purposes of the state child care assistance program for the fiscal year are determined to be insufficient, it is the intent of the general assembly to appropriate sufficient funding for the fiscal year in order to avoid establishment of waiting list requirements.

8. Notwithstanding [section 8.33](#), moneys advanced for purposes of the programs developed by early childhood Iowa areas, advanced for purposes of wraparound child care, or received from the federal appropriations made for the purposes of this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 56. JUVENILE INSTITUTION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For operation of the state training school at Eldora and for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,675,221
.....	FTEs	189.00

Of the funds appropriated in this subsection, \$45,575 shall be used for distribution to licensed classroom teachers at this and other institutions under the control of the department of human services based upon the average student yearly enrollment at each institution as determined by the department.

2. A portion of the moneys appropriated in this section shall be used by the state training school at Eldora for grants for adolescent pregnancy prevention activities at the institution in the fiscal year beginning July 1, 2018.

Sec. 57. CHILD AND FAMILY SERVICES.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

.....	\$	43,639,687
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2. The department may transfer funds appropriated in this section as necessary to pay the nonfederal costs of services reimbursed under the medical assistance program, state child care assistance program, or the family investment program which are provided to children who would otherwise receive services paid under the appropriation in this section. The department may transfer funds appropriated in this section to the appropriations made in this division of this Act for general administration and for field operations for resources necessary to implement and operate the services funded in this section.

3. a. Of the funds appropriated in this section, up to \$17,868,324 is allocated as the statewide expenditure target under [section 232.143](#) for group foster care maintenance and services. If the department projects that such expenditures for the fiscal year will be less than the target amount allocated in this paragraph "a", the department may reallocate the excess to provide additional funding for shelter care or the child welfare emergency services addressed with the allocation for shelter care.

b. If at any time after September 30, 2018, annualization of a service area's current expenditures indicates a service area is at risk of exceeding its group foster care expenditure target under [section 232.143](#) by more than 5 percent, the department and juvenile court services shall examine all group foster care placements in that service area in order to identify those which might be appropriate for termination. In addition, any aftercare services believed to be needed for the children whose placements may be terminated shall be identified. The department and juvenile court services shall initiate action to set dispositional review hearings for the placements identified. In such a dispositional review hearing, the juvenile court shall determine whether needed aftercare services are available and whether termination of the placement is in the best interest of the child and the community.

4. In accordance with the provisions of [section 232.188](#), the department shall continue the child welfare and juvenile justice funding initiative during fiscal year 2018-2019. Of the funds appropriated in this section, \$858,876 is allocated specifically for expenditure for fiscal year 2018-2019 through the decategorization services funding pools and governance boards established pursuant to [section 232.188](#).

5. A portion of the funds appropriated in this section may be used for emergency family assistance to provide other resources required for a family participating in a family preservation or reunification project or successor project to stay together or to be reunified.

6. Notwithstanding [section 234.35](#) or any other provision of law to the contrary, state funding for shelter care and the child welfare emergency services contracting implemented to provide for or prevent the need for shelter care shall be limited to \$4,048,079.

7. Federal funds received by the state during the fiscal year beginning July 1, 2018, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for services and purposes provided for under this section. Notwithstanding [section 8.33](#), moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for the purposes designated until the close of the succeeding fiscal year.

8. a. Of the funds appropriated in this section, up to \$1,645,000 is allocated for the payment of the expenses of court-ordered services provided to juveniles who are under the supervision of juvenile court services, which expenses are a charge upon the state pursuant to [section 232.141, subsection 4](#). Of the amount allocated in this paragraph “a”, up to \$778,143 shall be made available to provide school-based supervision of children adjudicated under [chapter 232](#), of which not more than \$7,500 may be used for the purpose of training. A portion of the cost of each school-based liaison officer shall be paid by the school district or other funding source as approved by the chief juvenile court officer.

b. Of the funds appropriated in this section, up to \$374,492 is allocated for the payment of the expenses of court-ordered services provided to children who are under the supervision of the department, which expenses are a charge upon the state pursuant to [section 232.141, subsection 4](#).

c. Notwithstanding [section 232.141](#) or any other provision of law to the contrary, the amounts allocated in this subsection shall be distributed to the judicial districts as determined by the state court administrator and to the department’s service areas as determined by the administrator of the department of human services’ division of child and family services. The state court administrator and the division administrator shall make the determination of the distribution amounts on or before June 15, 2018.

d. Notwithstanding [chapter 232](#) or any other provision of law to the contrary, a district or juvenile court shall not order any service which is a charge upon the state pursuant to [section 232.141](#) if there are insufficient court-ordered services funds available in the district court or departmental service area distribution amounts to pay for the service. The chief juvenile court officer and the departmental service area manager shall encourage use of the funds allocated in this subsection such that there are sufficient funds to pay for all court-related services during the entire year. The chief juvenile court officers and departmental service area managers shall attempt to anticipate potential surpluses and shortfalls in the distribution amounts and shall cooperatively request the state court administrator or division administrator to transfer funds between the judicial districts’ or departmental service areas’ distribution amounts as prudent.

e. Notwithstanding any provision of law to the contrary, a district or juvenile court shall not order a county to pay for any service provided to a juvenile pursuant to an order entered under [chapter 232](#) which is a charge upon the state under [section 232.141, subsection 4](#).

f. Of the funds allocated in this subsection, not more than \$41,500 may be used by the judicial branch for administration of the requirements under this subsection.

g. Of the funds allocated in this subsection, \$8,500 shall be used by the department of human services to support the interstate commission for juveniles in accordance with the interstate compact for juveniles as provided in [section 232.173](#).

9. Of the funds appropriated in this section, \$6,126,613 is allocated for juvenile delinquent graduated sanctions services. Any state funds saved as a result of efforts by juvenile court services to earn a federal Tit. IV-E match for juvenile court services administration may be used for the juvenile delinquent graduated sanctions services.

10. Of the funds appropriated in this section, \$829,142 is transferred to the department of public health to be used for the child protection center grant program for child protection centers located in Iowa in accordance with [section 135.118](#). The grant amounts under the program shall be equalized so that each center receives a uniform base amount of \$122,500, so that \$25,000 is awarded to establish a satellite child protection center in a city in north central Iowa that is the county seat of a county with a population between 44,000 and 45,000 according to the 2010 federal decennial census, and so that the remaining funds are awarded through a funding formula based upon the volume of children served.

11. If the department receives federal approval to implement a waiver under Tit. IV-E of the federal Social Security Act to enable providers to serve children who remain in the children's families and communities, for purposes of eligibility under the medical assistance program through 25 years of age, children who participate in the waiver shall be considered to be placed in foster care.

12. Of the funds appropriated in this section, \$2,012,583 is allocated for the preparation for adult living program pursuant to [section 234.46](#).

13. Of the funds appropriated in this section, \$113,668 shall be used for the public purpose of continuing a grant to a nonprofit human services organization providing services to individuals and families in multiple locations in southwest Iowa and Nebraska for support of a project providing immediate, sensitive support and forensic interviews, medical exams, needs assessments, and referrals for victims of child abuse and their nonoffending family members.

14. Of the funds appropriated in this section, \$150,310 is allocated for the foster care youth council approach of providing a support network to children placed in foster care.

15. Of the funds appropriated in this section, \$101,000 is allocated for use pursuant to [section 235A.1](#) for continuation of the initiative to address child sexual abuse implemented pursuant to [2007 Iowa Acts, chapter 218, section 18, subsection 21](#).

16. Of the funds appropriated in this section, \$315,120 is allocated for the community partnership for child protection sites.

17. Of the funds appropriated in this section, \$185,625 is allocated for the department's minority youth and family projects under the redesign of the child welfare system.

18. Of the funds appropriated in this section, \$568,297 is allocated for funding of the community circle of care collaboration for children and youth in northeast Iowa.

19. Of the funds appropriated in this section, at least \$73,579 shall be used for the continuation of the child welfare provider training academy, a collaboration between the coalition for family and children's services in Iowa and the department.

20. Of the funds appropriated in this section, \$105,936 shall be used for continuation of the central Iowa system of care program grant through June 30, 2019.

21. Of the funds appropriated in this section, \$117,500 shall be used for the public purpose of the continuation and expansion of a system of care program grant implemented in Cerro Gordo and Linn counties to utilize a comprehensive and long-term approach for helping children and families by addressing the key areas in a child's life of childhood basic needs, education and work, family, and community.

22. Of the funds appropriated in this section, at least \$12,500 shall be used to continue and to expand the foster care respite pilot program in which postsecondary students in social work and other human services-related programs receive experience by assisting family foster care providers with respite and other support.

23. Of the funds appropriated in this section, \$55,000 shall be used for the public purpose of funding community-based services and other supports with a system of care approach for children with a serious emotional disturbance and their families through a nonprofit provider of child welfare services that has been in existence for more than 115 years, is located in a county with a population of more than 200,000 but less than 220,000 according to the latest certified federal census, is licensed as a psychiatric medical institution for children, and was a system of care grantee prior to July 1, 2018.

Sec. 58. ADOPTION SUBSIDY.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

a. For adoption subsidy payments and services:

..... \$ 20,388,955

b. (1) The funds appropriated in this section shall be used as authorized or allowed by federal law or regulation for any of the following purposes:

(a) For adoption subsidy payments and related costs.

(b) For post-adoption services and for other purposes under Tit. IV-B or Tit. IV-E of the federal Social Security Act.

(2) The department of human services may transfer funds appropriated in this subsection to the appropriation for child and family services in this Act for the purposes of post-adoption services as specified in this paragraph "b".

c. Notwithstanding section 8.33, moneys corresponding to the state savings resulting from implementation of the federal Fostering Connections to Success and Increasing Adoptions Act of 2008, Pub. L. No. 110-351, and successor legislation, as determined in accordance with 42 U.S.C. §673(a)(8), that remain unencumbered or unobligated at the close of the fiscal year, shall not revert to any fund but shall remain available for the purposes designated in this subsection until expended. The amount of such savings and any corresponding funds remaining at the close of the fiscal year shall be determined separately and any changes in either amount between fiscal years shall not result in an unfunded need.

2. The department may transfer funds appropriated in this section to the appropriation made in this division of this Act for general administration for costs paid from the appropriation relating to adoption subsidy.

3. Federal funds received by the state during the fiscal year beginning July 1, 2018, as the result of the expenditure of state funds during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for the services and activities funded under this section. Notwithstanding section 8.33, moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 59. JUVENILE DETENTION HOME FUND. Moneys deposited in the juvenile detention home fund created in section 232.142 during the fiscal year beginning July 1, 2018, and ending June 30, 2019, are appropriated to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, for distribution of an amount equal to a percentage of the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 2017. Moneys appropriated for distribution in accordance with this section shall be allocated among eligible detention homes, prorated on the basis of an eligible detention home's proportion of the costs of all eligible detention homes in the fiscal year beginning July 1, 2017. The percentage figure shall be determined by the department based on the amount available for distribution for the fund. Notwithstanding section 232.142, subsection 3, the financial aid payable by the state under that provision for the fiscal year beginning July 1, 2018, shall be limited to the amount appropriated for the purposes of this section.

Sec. 60. FAMILY SUPPORT SUBSIDY PROGRAM.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the family support subsidy program subject to the enrollment restrictions in section 225C.37, subsection 3:

..... \$ 534,641

2. At least \$393,750 of the moneys appropriated in this section is transferred to the department of public health for the family support center component of the comprehensive family support program under [chapter 225C](#), subchapter V.

3. If at any time during the fiscal year, the amount of funding available for the family support subsidy program is reduced from the amount initially used to establish the figure for the number of family members for whom a subsidy is to be provided at any one time during the fiscal year, notwithstanding [section 225C.38, subsection 2](#), the department shall revise the figure as necessary to conform to the amount of funding available.

Sec. 61. CONNER DECREE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For building community capacity through the coordination and provision of training opportunities in accordance with the consent decree of Conner v. Branstad, No. 4-86-CV-30871(S.D. Iowa, July 14, 1994):

..... \$ 16,816

Sec. 62. MENTAL HEALTH INSTITUTES.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For operation of the state mental health institute at Cherokee as required by [chapters 218 and 226](#) for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 6,935,127

..... FTEs 162.00

b. For operation of the state mental health institute at Independence as required by [chapters 218 and 226](#) for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 8,756,810

..... FTEs 204.00

2. Notwithstanding [sections 218.78 and 249A.11](#), any revenue received from the state mental health institute at Cherokee or the state mental health institute at Independence pursuant to [42 C.FR §438.6\(e\)](#) may be retained and expended by the mental health institute.

3. Notwithstanding any provision of law to the contrary, a Medicaid member residing at the state mental health institute at Cherokee or the state mental health institute at Independence shall retain Medicaid eligibility during the period of the Medicaid member’s stay for which federal financial participation is available.

Sec. 63. STATE RESOURCE CENTERS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For the state resource center at Glenwood for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 8,943,890

b. For the state resource center at Woodward for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 6,038,517

2. The department may continue to bill for state resource center services utilizing a scope of services approach used for private providers of intermediate care facilities for persons with an intellectual disability services, in a manner which does not shift costs between the medical assistance program, counties, or other sources of funding for the state resource centers.

3. The state resource centers may expand the time-limited assessment and respite services during the fiscal year.

4. If the department’s administration and the department of management concur with a finding by a state resource center’s superintendent that projected revenues can reasonably be expected to pay the salary and support costs for a new employee position, or that such costs for adding a particular number of new positions for the fiscal year would be less than the overtime costs if new positions would not be added, the superintendent may add the new position or positions. If the vacant positions available to a resource center do not include the position classification desired to be filled, the state resource center’s superintendent may reclassify any vacant position as necessary to fill the desired position. The superintendents of the state resource centers may, by mutual agreement, pool vacant positions and position classifications during the course of the fiscal year in order to assist one another in filling necessary positions.

5. If existing capacity limitations are reached in operating units, a waiting list is in effect for a service or a special need for which a payment source or other funding is available for the service or to address the special need, and facilities for the service or to address the special need can be provided within the available payment source or other funding, the superintendent of a state resource center may authorize opening not more than two units or other facilities and begin implementing the service or addressing the special need during fiscal year 2018-2019.

Sec. 64. SEXUALLY VIOLENT PREDATORS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For costs associated with the commitment and treatment of sexually violent predators in the unit located at the state mental health institute at Cherokee, including costs of legal services and other associated costs, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,732,373
.....	FTEs	112.00

2. Unless specifically prohibited by law, if the amount charged provides for recoupment of at least the entire amount of direct and indirect costs, the department of human services may contract with other states to provide care and treatment of persons placed by the other states at the unit for sexually violent predators at Cherokee. The moneys received under such a contract shall be considered to be repayment receipts and used for the purposes of the appropriation made in this section.

Sec. 65. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For field operations, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	24,242,217
.....	FTEs	1,583.00

Priority in filling full-time equivalent positions shall be given to those positions related to child protection services and eligibility determination for low-income families.

Sec. 66. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	7,016,520
.....	FTEs	294.00

1. The department shall report at least monthly to the legislative services agency concerning the department’s operational and program expenditures.

2. Of the funds appropriated in this section, \$75,000 shall be used to continue the contract for the provision of a program to provide technical assistance, support, and consultation to providers of habilitation services and home and community-based services waiver services for adults with disabilities under the medical assistance program.

3. Of the funds appropriated in this section, \$25,000 is transferred to the Iowa finance authority to be used for administrative support of the council on homelessness established in section 16.2D and for the council to fulfill its duties in addressing and reducing homelessness in the state.

4. Of the funds appropriated in this section, \$100,000 shall be transferred to and deposited in the administrative fund of the Iowa ABLE savings plan trust created in section 12I.4, to be used for implementation and administration activities of the Iowa ABLE savings plan trust.

5. Of the funds appropriated in this section, \$100,000 is transferred to the economic development authority for the Iowa commission on volunteer services to continue to be used for RefugeeRISE AmeriCorps program established under section 15H.8 for member recruitment and training to improve the economic well-being and health of economically disadvantaged refugees in local communities across Iowa. Funds transferred may be used to supplement federal funds under federal regulations.

6. Of the funds appropriated in this section, \$100,000 shall be used to continue to expand the provision of nationally accredited and recognized internet-based training to include mental health and disability services providers.

Sec. 67. DEPARTMENT-WIDE DUTIES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes at facilities under the purview of the department of human services:
..... \$ 1,439,637

Sec. 68. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:
..... \$ 42,343

Sec. 69. GENERAL REDUCTION. For the period beginning July 1, 2018, and ending June 30, 2019, the department of human services, in consultation with the department of management, shall identify and implement a reduction in expenditures made from appropriations from the general fund to the department of human services in the amount of \$733,651.

Sec. 70. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

1. a. (1) (a) For the fiscal year beginning July 1, 2018, case-mix, non-case mix, and special population nursing facilities shall be reimbursed in accordance with the methodology in effect on June 30, 2018.

(b) For managed care claims, the department of human services shall adjust the payment rate floor for nursing facilities, annually, to maintain a rate floor that is no lower than the Medicaid fee-for-service case-mix adjusted rate calculated in accordance with 441 IAC 81.6. The department shall then calculate adjusted reimbursement rates, including but not limited to add-on-payments, annually, and shall notify Medicaid managed care organizations of the

* Item veto; see message at end of the Act

adjusted reimbursement rates within 30 days of determining the adjusted reimbursement rates. Any adjustment of reimbursement rates under this subparagraph division shall be budget neutral to the state budget.

(2) For any open or unsettled nursing facility cost report for a fiscal year prior to and including the fiscal year beginning July 1, 2017, including any cost report remanded on judicial review for inclusion of prescription drug, laboratory, or x-ray costs, the department shall offset all reported prescription drug, laboratory, and x-ray costs with any revenue received from Medicare or other revenue source for any purpose. For purposes of this subparagraph, a nursing facility cost report is not considered open or unsettled if the facility did not initiate an administrative appeal under [chapter 17A](#) or if any appeal rights initiated have been exhausted.

b. (1) For the fiscal year beginning July 1, 2018, the department shall establish the pharmacy dispensing fee reimbursement at \$10.02 per prescription, until a cost of dispensing survey is completed. The actual dispensing fee shall be determined by a cost of dispensing survey performed by the department and required to be completed by all medical assistance program participating pharmacies every two years, adjusted as necessary to maintain expenditures within the amount appropriated to the department for this purpose for the fiscal year.

(2) The department shall utilize an average acquisition cost reimbursement methodology for all drugs covered under the medical assistance program in accordance with [2012 Iowa Acts, chapter 1133, section 33](#).

c. (1) For the fiscal year beginning July 1, 2018, reimbursement rates for outpatient hospital services shall remain at the rates in effect on June 30, 2018, subject to Medicaid program upper payment limit rules, and adjusted as necessary to maintain expenditures within the amount appropriated to the department for this purpose for the fiscal year.

(2) For the fiscal year beginning July 1, 2018, reimbursement rates for inpatient hospital services shall be rebased effective October 1, 2018, subject to Medicaid program upper payment limit rules, and adjusted as necessary to maintain expenditures within the amount appropriated to the department for this purpose for the fiscal year.

(3) For the fiscal year beginning July 1, 2018, the graduate medical education and disproportionate share hospital fund shall remain at the amount in effect on June 30, 2018, except that the portion of the fund attributable to graduate medical education shall be reduced in an amount that reflects the elimination of graduate medical education payments made to out-of-state hospitals.

(4) In order to ensure the efficient use of limited state funds in procuring health care services for low-income Iowans, funds appropriated in this Act for hospital services shall not be used for activities which would be excluded from a determination of reasonable costs under the federal Medicare program pursuant to 42 U.S.C. §1395x(v)(1)(N).

d. For the fiscal year beginning July 1, 2018, reimbursement rates for hospices and acute mental hospitals shall be increased in accordance with increases under the federal Medicare program or as supported by their Medicare audited costs.

e. For the fiscal year beginning July 1, 2018, independent laboratories and rehabilitation agencies shall be reimbursed using the same methodology in effect on June 30, 2018.

f. (1) For the fiscal year beginning July 1, 2018, reimbursement rates for home health agencies shall continue to be based on the Medicare low utilization payment adjustment (LUPA) methodology with state geographic wage adjustments. The department shall continue to update the rates every two years to reflect the most recent Medicare LUPA rates to the extent possible within the state funding appropriated for this purpose.

(2) For the fiscal year beginning July 1, 2018, rates for private duty nursing and personal care services under the early and periodic screening, diagnostic, and treatment program benefit shall be calculated based on the methodology in effect on June 30, 2018.

g. For the fiscal year beginning July 1, 2018, federally qualified health centers and rural health clinics shall receive cost-based reimbursement for 100 percent of the reasonable costs for the provision of services to recipients of medical assistance.

h. For the fiscal year beginning July 1, 2018, the reimbursement rates for dental services shall remain at the rates in effect on June 30, 2018.

i. (1) For the fiscal year beginning July 1, 2018, reimbursement rates for the non-state-owned psychiatric medical institution for children shall be based on the methodology in effect on June 30, 2018.

(2) As a condition of participation in the medical assistance program, enrolled providers shall accept the medical assistance reimbursement rate for any covered goods or services provided to recipients of medical assistance who are children under the custody of a psychiatric medical institution for children.

j. For the fiscal year beginning July 1, 2018, unless otherwise specified in this Act, all noninstitutional medical assistance provider reimbursement rates shall remain at the rates in effect on June 30, 2018, except for area education agencies, local education agencies, infant and toddler services providers, home and community-based services providers including consumer-directed attendant care providers under a section 1915(c) or 1915(i) waiver, targeted case management providers, and those providers whose rates are required to be determined pursuant to [section 249A.20](#).

k. Notwithstanding any provision to the contrary, for the fiscal year beginning July 1, 2018, the reimbursement rate for anesthesiologists shall be adjusted to implement the cost containment strategies authorized for the medical assistance program in this 2017 Act.

l. Notwithstanding [section 249A.20](#), for the fiscal year beginning July 1, 2018, the average reimbursement rate for health care providers eligible for use of the federal Medicare resource-based relative value scale reimbursement methodology under [section 249A.20](#) shall remain at the rate in effect on June 30, 2018; however, this rate shall not exceed the maximum level authorized by the federal government.

m. For the fiscal year beginning July 1, 2018, the reimbursement rate for residential care facilities shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement. The flat reimbursement rate for facilities electing not to file annual cost reports shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

n. For the fiscal year beginning July 1, 2018, the reimbursement rates for inpatient mental health services provided at hospitals shall be rebased effective October 1, 2018, subject to Medicaid program upper payment limit rules; and psychiatrists shall be reimbursed at the medical assistance program fee-for-service rate in effect on June 30, 2018.

o. For the fiscal year beginning July 1, 2018, community mental health centers may choose to be reimbursed for the services provided to recipients of medical assistance through either of the following options:

(1) For 100 percent of the reasonable costs of the services.

(2) In accordance with the alternative reimbursement rate methodology approved by the department of human services in effect on June 30, 2018.

p. For the fiscal year beginning July 1, 2018, the reimbursement rate for providers of family planning services that are eligible to receive a 90 percent federal match shall remain at the rates in effect on June 30, 2018.

q. Unless otherwise subject to a tiered rate methodology, for the fiscal year beginning July 1, 2018, the upper limits and reimbursement rates for providers of home and community-based services waiver services shall be reimbursed using the reimbursement methodology in effect on June 30, 2018.

r. For the fiscal year beginning July 1, 2018, the reimbursement rates for emergency medical service providers shall remain at the rates in effect on June 30, 2018.

s. For the fiscal year beginning July 1, 2018, reimbursement rates for substance-related disorder treatment programs licensed under [section 125.13](#) shall remain at the rates in effect on June 30, 2018.

2. For the fiscal year beginning July 1, 2018, the reimbursement rate for providers reimbursed under the in-home-related care program shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

3. Unless otherwise directed in this section, when the department's reimbursement methodology for any provider reimbursed in accordance with this section includes an

inflation factor, this factor shall not exceed the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31, 2002.

4. Notwithstanding [section 234.38](#), for the fiscal year beginning July 1, 2018, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$16.78, the rate for children ages 6 through 11 years shall be \$17.43, the rate for children ages 12 through 15 years shall be \$19.10, and the rate for children and young adults ages 16 and older shall be \$19.35. For youth ages 18 to 21 who have exited foster care, the preparation for adult living program maintenance rate shall be \$602.70 per month. The maximum payment for adoption subsidy nonrecurring expenses shall be limited to \$500 and the disallowance of additional amounts for court costs and other related legal expenses implemented pursuant to [2010 Iowa Acts, chapter 1031, section 408](#), shall be continued.

5. For the fiscal year beginning July 1, 2018, the maximum reimbursement rates for social services providers under contract shall remain at the rates in effect on June 30, 2018, or the provider's actual and allowable cost plus inflation for each service, whichever is less. However, if a new service or service provider is added after June 30, 2018, the initial reimbursement rate for the service or provider shall be based upon a weighted average of provider rates for similar services.

6. a. For the fiscal year beginning July 1, 2018, the reimbursement rates for resource family recruitment and retention contractors shall be established by contract.

b. For the fiscal year beginning July 1, 2018, the reimbursement rates for supervised apartment living foster care providers shall be established by contract.

7. a. For the purposes of this subsection, "combined reimbursement rate" means the combined service and maintenance reimbursement rate for a service level under the department's reimbursement methodology. Effective July 1, 2018, the combined reimbursement rate for a group foster care service level shall be the amount designated in this subsection. However, if a group foster care provider's reimbursement rate for a service level as of June 30, 2018, is more than the rate designated in this subsection, the provider's reimbursement shall remain at the higher rate.

b. Unless a group foster care provider is subject to the exception provided in paragraph "a", effective July 1, 2018, the combined reimbursement rates for the service levels under the department's reimbursement methodology shall be as follows:

(1) For service level, community - D1, the daily rate shall be at least \$84.17.

(2) For service level, comprehensive - D2, the daily rate shall be at least \$119.09.

(3) For service level, enhanced - D3, the daily rate shall be at least \$131.09.

8. The group foster care reimbursement rates paid for placement of children out of state shall be calculated according to the same rate-setting principles as those used for in-state providers, unless the director of human services or the director's designee determines that appropriate care cannot be provided within the state. The payment of the daily rate shall be based on the number of days in the calendar month in which service is provided.

9. a. For the fiscal year beginning July 1, 2018, the reimbursement rate paid for shelter care and the child welfare emergency services implemented to provide or prevent the need for shelter care shall be established by contract.

b. For the fiscal year beginning July 1, 2018, the combined service and maintenance components of the reimbursement rate paid for shelter care services shall be based on the financial and statistical report submitted to the department. The maximum reimbursement rate shall be \$101.83 per day. The department shall reimburse a shelter care provider at the provider's actual and allowable unit cost, plus inflation, not to exceed the maximum reimbursement rate.

c. Notwithstanding [section 232.141, subsection 8](#), for the fiscal year beginning July 1, 2018, the amount of the statewide average of the actual and allowable rates for reimbursement of juvenile shelter care homes that is utilized for the limitation on recovery of unpaid costs shall remain at the amount in effect for this purpose in the fiscal year beginning July 1, 2017.

10. For the fiscal year beginning July 1, 2018, the department shall calculate reimbursement rates for intermediate care facilities for persons with an intellectual disability at the 80th percentile. Beginning July 1, 2018, the rate calculation methodology shall utilize the consumer price index inflation factor applicable to the fiscal year beginning July 1, 2018.

11. For the fiscal year beginning July 1, 2018, for child care providers reimbursed under the state child care assistance program, the department shall set provider reimbursement rates based on the rate reimbursement survey completed in December 2004. Effective July 1, 2018, the child care provider reimbursement rates shall remain at the rates in effect on June 30, 2018. The department shall set rates in a manner so as to provide incentives for a nonregistered provider to become registered by applying the increase only to registered and licensed providers.

12. For the fiscal year beginning July 1, 2018, affected providers or services shall be reimbursed as follows:

a. For fee-for-service claims, reimbursement shall be calculated based on the methodology otherwise specified in this section for the fiscal year beginning July 1, 2018, for the respective provider or service.

b. For claims subject to a managed care contract with the exception of any provider or service to which a reimbursement increase is applicable for the fiscal year under this section, reimbursement shall be based on the methodology established by the managed care contract. However, any rate or reimbursement established under such contract shall not be lower than the rate or reimbursement floor established by the department of human services as the managed care organization rate or reimbursement floor for a respective provider or service in effect on April 1, 2016.

13. Notwithstanding any provision to the contrary, reimbursement rates and methodologies under this section may be adjusted as necessary to implement the cost containment strategies authorized for the medical assistance program in this 2017 Act.

14. The department may adopt emergency rules to implement this section.

Sec. 71. EMERGENCY RULES.

1. If specifically authorized by a provision of this division of this Act, the department of human services or the mental health and disability services commission may adopt administrative rules under [section 17A.4, subsection 3](#), and [section 17A.5, subsection 2](#), paragraph “b”, to implement the provisions of this division of this Act and the rules shall become effective immediately upon filing or on a later effective date specified in the rules, unless the effective date of the rules is delayed or the applicability of the rules is suspended by the administrative rules review committee. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. The delay authority provided to the administrative rules review committee under [section 17A.4, subsection 7](#), and [section 17A.8, subsection 9](#), shall be applicable to a delay imposed under this section, notwithstanding a provision in those sections making them inapplicable to [section 17A.5, subsection 2](#), paragraph “b”. Any rules adopted in accordance with the provisions of this section shall also be published as a notice of intended action as provided in [section 17A.4](#).

2. If during a fiscal year, the department of human services is adopting rules in accordance with this section or as otherwise directed or authorized by state law, and the rules will result in an expenditure increase beyond the amount anticipated in the budget process or if the expenditure was not addressed in the budget process for the fiscal year, the department shall notify the persons designated by this division of this Act for submission of reports, the chairpersons and ranking members of the committees on appropriations, and the department of management concerning the rules and the expenditure increase. The notification shall be provided at least 30 calendar days prior to the date notice of the rules is submitted to the administrative rules coordinator and the administrative code editor.

Sec. 72. REPORTS. Any reports or other information required to be compiled and submitted under this Act during the fiscal year beginning July 1, 2018, shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, and the legislative caucus staffs on or before the dates specified for submission of the reports or information.

* Item veto; see message at end of the Act

Sec. 73. TRANSFER OF MEDICAID MODERNIZATION SAVINGS BETWEEN APPROPRIATIONS FY 2018-2019. Notwithstanding [section 8.39, subsection 1](#), for the fiscal year beginning July 1, 2018, if savings resulting from the governor’s Medicaid modernization initiative accrue to the medical contracts or children’s health insurance program appropriation from the general fund of the state and not to the medical assistance appropriation from the general fund of the state under this division of this Act, such savings may be transferred to such medical assistance appropriation for the same fiscal year without prior written consent and approval of the governor and the director of the department of management. The department of human services shall report any transfers made pursuant to this section to the legislative services agency.

Sec. 74. EFFECTIVE UPON ENACTMENT. The following provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The provision relating to [section 232.141](#) and directing the state court administrator and the division administrator of the department of human services division of child and family services to make the determination, by June 15, 2018, of the distribution of funds allocated for the payment of the expenses of court-ordered services provided to juveniles which are a charge upon the state.

DIVISION XII
HEALTH CARE ACCOUNTS AND FUNDS — FY 2018-2019

Sec. 75. PHARMACEUTICAL SETTLEMENT ACCOUNT. There is appropriated from the pharmaceutical settlement account created in [section 249A.33](#) to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Notwithstanding any provision of law to the contrary, to supplement the appropriations made in this Act for medical contracts under the medical assistance program for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

..... \$ 400,000

Sec. 76. QUALITY ASSURANCE TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the quality assurance trust fund created in [section 249L.4](#) to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amounts, or so much thereof as is necessary, for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance for the same fiscal year:

..... \$ 18,352,604

Sec. 77. HOSPITAL HEALTH CARE ACCESS TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the hospital health care access trust fund created in [section 249M.4](#) to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amounts, or so much thereof as is necessary, for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance for the same fiscal year:

..... \$ 16,960,277

Sec. 78. MEDICAL ASSISTANCE PROGRAM — NONREVERSION FOR FY 2018-2019. Notwithstanding [section 8.33](#), if moneys appropriated for purposes of the medical assistance program for the fiscal year beginning July 1, 2018, and ending June 30, 2019, from the general fund of the state, the quality assurance trust fund and the hospital health care access trust fund, are in excess of actual expenditures for the medical assistance program and remain unencumbered or unobligated at the close of the fiscal year, the excess

moneys shall not revert but shall remain available for expenditure for the purposes of the medical assistance program until the close of the succeeding fiscal year.

DIVISION XIII
CHILD CARE FACILITY FUND — USE FOR FIELD OPERATIONS

Sec. 79. CHILD CARE FACILITY FUND — USE FOR FIELD OPERATIONS. Notwithstanding [section 237A.4A, subsection 5, Code 2017](#), for the fiscal year beginning July 1, 2017, and ending June 30, 2018, in addition to the costs of dedicated staffing to perform the duties described in [section 237A.4A](#), up to \$590,082 of the moneys in the child care facility fund may be used by the department of human services for additional expenditures of the child care regulatory unit within the department's field operations.

Sec. 80. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XIV
BIOLOGICS AND GENETICALLY TARGETED DRUGS — MEDICAID

Sec. 81. Section 249A.20A, subsection 3, Code 2017, is amended to read as follows:

3. a. The pharmaceutical and therapeutics committee shall recommend a preferred drug list to the department.

b. The committee shall develop the preferred drug list by considering each drug's clinically meaningful therapeutic advantages in terms of safety, effectiveness, and clinical outcome.

c. The committee shall use evidence-based research methods in selecting the drugs to be included on the preferred drug list.

d. When making recommendations or determinations regarding beneficiary access to drugs and biological products for rare diseases, as defined in the federal Orphan Drug Act of 1983, Pub. L. No. 97-414, and drugs and biological products that are genetically targeted, the committee shall request and consider information from individuals who possess scientific or medical training with respect to the drug, biological product, or rare disease.

e. The committee shall periodically review all drug classes included on the preferred drug list and may amend the list to ensure that the list provides for medically appropriate drug therapies for medical assistance recipients and achieves cost savings to the medical assistance program.

f. The department may procure a sole source contract with an outside entity or contractor to provide professional administrative support to the pharmaceutical and therapeutics committee in researching and recommending drugs to be placed on the preferred drug list.

Sec. 82. Section 249A.24, Code 2017, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. When making recommendations or determinations regarding beneficiary access to drugs and biological products for rare diseases, as defined in the federal Orphan Drug Act of 1983, Pub. L. No. 97-414, and drugs and biological products that are genetically targeted, the commission shall request and consider information from individuals who possess scientific or medical training with respect to the drug, biological product, or rare disease.

DIVISION XV
PUBLIC ASSISTANCE PROGRAMS OVERSIGHT

Sec. 83. 2017 Iowa Acts, House File 531,² section 2, subsection 1, as enacted, is amended to read as follows:

1. The department of human services shall review state efforts, including pilot programs related to data sharing between states and technology-based solutions designed to curb interstate dual participation, to address program integrity for public assistance programs including Medicaid, the family investment program (FIP), the supplemental nutrition

² Chapter 24 herein

assistance program (SNAP), and the child care assistance program. As part of the review, the department shall explore opportunities to join existing pilot efforts in collaboration with other states including the effort involving the national accuracy clearinghouse, or to develop a separate pilot effort in Iowa.

Sec. 84. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 85. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to March 30, 2017.

DIVISION XVI BACKGROUND CHECK PRIVATE SECTOR ALTERNATIVES

Sec. 86. BACKGROUND CHECK — PRIVATE SECTOR ALTERNATIVES. The department of human services and the department of public safety shall jointly review private sector alternatives to the performance of state mandated criminal background checks currently performed solely by the department of public safety. The departments shall submit a report to the governor and the general assembly by December 15, 2017, including a description of the process used in reviewing private sector alternatives to perform criminal background checks, the findings from the review, and recommendations for utilizing private sector entities as an alternative to the department of public safety in performing criminal background checks.

DIVISION XVII PSYCHIATRIC BED TRACKING SYSTEM

Sec. 87. DEPARTMENT OF HUMAN SERVICES PSYCHIATRIC BED TRACKING SYSTEM. The department of human services shall amend its administrative rules pursuant to [chapter 17A](#) to require the state mental health institutes and hospitals licensed to provide inpatient psychiatric treatment and services to participate in the psychiatric bed tracking system and to ensure updates are made, at a minimum, two times per day to the psychiatric bed tracking system. Updates shall include information on the availability of inpatient child, adult, and geriatric psychiatric beds staffed and available and information on the gender that can be accepted for each available bed.

DIVISION XVIII CHILDREN'S WELL-BEING COLLABORATIVES AND ADVISORY COMMITTEE

Sec. 88. CHILDREN'S WELL-BEING COLLABORATIVES — GRANTS.

1. The department of human services shall establish a request for proposals process which shall be based upon recommendations for the development and implementation of children's well-being collaboratives described in the children's mental health study report submitted by the department to the general assembly on December 15, 2016.

2. A well-being collaborative shall consist of a broad-based group of entities in a defined geographical area represented by a lead agency. Entities in the well-being collaborative shall include a broad-based representation of key providers including but not limited to providers of prevention and early intervention services and mental health services to the target population.

3. A well-being collaborative shall be responsible for developing interagency coordination and collaboration for the provision of prevention and early intervention services within the designated geographic area and shall, at a minimum, demonstrate all of the following:

a. Experience and a strong understanding of how best to engage children and families to achieve positive mental health and well-being outcomes.

b. An ability to provide or administer prevention services for the improvement of children's mental health and well-being.

c. Experience and effectiveness in coordinating the collaborative efforts of multiple stakeholders working toward a common goal of improving the effectiveness of the group's efforts to achieve measurable improved outcomes.

4. A well-being collaborative shall build and maintain intentional collaboration among all entities with the goal of providing measurable improvements in outcomes for children and families.

5. A well-being collaborative shall build and improve coordination and effectiveness among entities to develop and provide primary, secondary, and tertiary prevention and early intervention services that are nonduplicative and that are aligned to meet the needs of children and families in the geographic area.

6. A well-being collaborative shall provide technical assistance to a diverse array of stakeholders, facilitate the distribution of public awareness materials that include information aimed at reducing the stigma of mental illness, and provide updates on changes in state and federal policy in relation to prevention and early intervention efforts concerning children's mental health and well-being.

7. A well-being collaborative shall establish or enhance collaborative efforts in all of the following areas:

a. The selection and implementation of evidence-based or promising prevention and early intervention models.

b. Understanding funding sources and how to utilize available funding most effectively.

c. The adoption or development, implementation, and analysis of community needs assessments.

d. The development, implementation, and analysis of a community work plan based on the results of the community needs assessment.

e. The adoption or development and implementation of a uniform family assessment.

f. The utilization of research and data analysis to guide the work of the well-being collaborative.

g. The provision of culturally competent services and the ability to address issues relating to the disproportionate representation of a population group.

h. The development of public awareness and training programs, including programs aimed at reducing the stigma of mental illness.

i. The recruitment and retention of members in the well-being collaborative with a focus on achieving the goals and outcomes of the collaborative and supporting all members in the collaborative.

8. Each grantee shall submit reports to the department of human services by December 15, 2017, and April 15, 2018, to include information relating to the accomplishments and future plans of each well-being collaborative.

Sec. 89. CHILDREN'S MENTAL HEALTH AND WELL-BEING ADVISORY COMMITTEE. The department of human services shall create and provide support to a children's mental health and well-being advisory committee to continue efforts relating to improving children's mental health crisis services and children's well-being learning labs and supporting the children's well-being collaboratives.

DIVISION XIX STATE FAMILY PLANNING SERVICES PROGRAM

Sec. 90. NEW SECTION. 217.41B **State family planning services program — establishment — discontinuation of Medicaid family planning network waiver.**

1. The department of human services shall discontinue the Medicaid family planning network waiver effective July 1, 2017, and shall instead establish a state family planning services program. The state program shall replicate the eligibility requirements and other provisions included in the Medicaid family planning network waiver as approved by the centers for Medicare and Medicaid services of the United States department of health and human services in effect on June 30, 2017.

2. Distribution of family planning services program funds under [this section](#) shall be made in a manner that continues access to family planning services.

3. Distribution of family planning services program funds shall not be made to any entity that performs abortions or that maintains or operates a facility where abortions are performed. For the purposes of [this section](#), “*abortion*” does not include any of the following:

a. The treatment of a woman for a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death.

b. The treatment of a woman for a spontaneous abortion, commonly known as a miscarriage, when not all of the products of human conception are expelled.

4. Family planning services program funds distributed in accordance with [this section](#) shall not be used for direct or indirect costs, including but not limited to administrative costs or expenses, overhead, employee salaries, rent, and telephone and other utility costs, related to providing abortions as specified in [subsection 3](#).

Sec. 91. EMERGENCY RULES. The department of human services may adopt emergency rules under [section 17A.4, subsection 3](#), and [section 17A.5, subsection 2, paragraph “b”](#), to implement the provisions of this division of this Act, and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in [section 17A.4](#).

Sec. 92. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XX

MEDICAID HOME AND COMMUNITY-BASED SERVICES PROVIDERS — TIERED RATES AND DOCUMENTATION CHANGES

Sec. 93. MEDICAID HOME AND COMMUNITY-BASED SERVICES PROVIDERS — TIERED RATES AND DOCUMENTATION CHANGES — EMERGENCY RULES.

1. Beginning July 1, 2017, the department of human services shall discontinue application of the retrospectively limited cost settlement methodology based on submission of required cost reports under [441 IAC 79.1](#), and shall implement tiered rates for providers of supported community living, day habilitation and adult day services for persons with an intellectual disability under the home and community-based services waiver program. The tiered rates shall be implemented in a phased-in approach to accommodate transition of providers to the revised reimbursement model. The department of human services and Medicaid managed care organizations may also establish tiered rates for other services.

2. The department of human services shall amend [441 IAC 24.4](#) relating to standards of service for providers of services to persons with mental illness, intellectual disabilities, or developmental disabilities pursuant to [chapter 225C](#) and [441 IAC 79.3\(2\)](#) relating to medical clinical records for providers of services under the Medicaid program pursuant to [chapter 249A](#), to provide, effective November 1, 2017, that in addition to allowing documentation of the provision of services or standards of service in a narrative format, the following providers may also provide documentation in a checkbox form format in accordance with the provider’s organizational policies and procedures and in compliance with procedures established by the centers for Medicare and Medicaid services of the United States department of health and human services:

- a. Advanced registered nurse practitioners.
- b. Psychologists.
- c. Community mental health centers.
- d. Home and community-based habilitation services providers.
- e. Behavioral health intervention.
- f. Case management services including home and community-based services case management services.
- g. Home and community-based services waiver services.
- h. Behavioral health services.
- i. Community-based neurobehavioral rehabilitation residential services and intermittent services.

3. The department of human services may adopt emergency rules under [section 17A.4, subsection 3](#), and [section 17A.5, subsection 2](#), paragraph “b”, to implement the provisions of this division of this Act, and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in [section 17A.4](#).

Sec. 94. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXI
TELEHEALTH PARITY INTERIM COMMITTEE

Sec. 95. TELEHEALTH PARITY INTERIM COMMITTEE.

1. The legislative council is requested to establish a study committee for the 2017 interim to examine issues relating to telehealth parity for private insurance and state employee health plans. The study committee shall consult with stakeholders to evaluate the benefits of telehealth parity within the context of the needs of Iowans such as access to health care, review existing policies related to telehealth reimbursement and the impact on private insurance and state employee health plans, consider the costs associated with telehealth service utilization, consider telehealth’s potential impact to economic development opportunities for Iowa’s rural communities, and evaluate obstacles such as broadband accessibility.

2. The members of the committee shall include:

a. Ten members of the general assembly as voting members.

(1) Three members shall be appointed by the majority leader of the senate, two by the minority leader of the senate, three by the speaker of the house of representatives, and two by the minority leader of the house of representatives.

(2) The legislators appointed shall include:

(a) The chairpersons and ranking members of the general assembly’s committees on human resources or a member of the committee designated by the chairperson or ranking member.

(b) The co-chairpersons and ranking members of the joint appropriations subcommittee on health and human services, or a member of the subcommittee designated by the co-chairperson or ranking member.

b. One representative of each of the following organizations as nonvoting members:

(1) The signal center for health innovation.

(2) The Iowa hospital association.

(3) An independent medical clinic.

(4) The Iowa medical society.

(5) The Iowa health care association.

(6) The federation of Iowa insurers.

(7) AARP Iowa.

(8) The Iowa telecommunications association.

(9) A mental health and disability services region.

c. The following agency directors or commissioner as ex officio nonvoting members:

(1) The director of public health, or the director’s designee.

(2) The director of the department of administrative services, or the director’s designee.

(3) The director of the department on aging, or the director’s designee.

(4) The commissioner of insurance or the commissioner’s designee.

3. The interim committee may request information and assistance from state agencies as applicable to the purpose of the interim committee, as needed to complete the work of the interim committee.

4. The interim committee shall submit its findings and recommendations to the general assembly by December 15, 2017, for consideration during the 2018 legislative session.

DIVISION XXII
ALZHEIMER'S AND OTHER FORMS OF DEMENTIA — HEALTH AND RESILIENCE
OUTREACH (HERO) PROJECT — DEMENTIA-SPECIFIC CARE

Sec. 96. HERO PROJECT. The department of public health shall collaborate with stakeholders that support individuals with Alzheimer's disease to identify funding opportunities to support the health and resilience outreach (HERO) project for individuals caring for a family member with Alzheimer's or other forms of dementia.

Sec. 97. ACCESS TO DEMENTIA-SPECIFIC CARE. The department on aging, the department of public health, the department of inspections and appeals, and the department of human services shall jointly analyze and make recommendations regarding options for coordination between state agencies and private entities to promote increased access to dementia-specific care in both residential and home and community-based settings. The analyses and recommendations shall address barriers to, gaps in, and opportunities for increased access, the availability of services in home and community-based settings as an alternative to residential settings, and any changes in law necessary to better address the needs of individuals with dementia and their families. The departments shall submit a joint report of findings and recommendations to the governor and the general assembly by December 15, 2017.

DIVISION XXIII
OFFICE OF MINORITY AND MULTICULTURAL HEALTH — REPEAL

Sec. 98. Section 135.159, subsection 3, paragraph i, Code 2017, is amended to read as follows:

i. For children, coordinate with and integrate guidelines, data, and information from existing newborn and child health programs and entities, including but not limited to the healthy opportunities for parents to experience success – healthy families Iowa program, the early childhood Iowa initiative, the center for congenital and inherited disorders screening and health care programs, standards of care for pediatric health guidelines, ~~the office of minority and multicultural health established in [section 135.12](#)~~, the oral health bureau established in [section 135.15](#), and other similar programs and services.

Sec. 99. REPEAL. Section 135.12, Code 2017, is repealed.

DIVISION XXIV
PRIOR YEAR APPROPRIATIONS AND OTHER PRIOR PROVISIONS
ADOPTION SUBSIDY PAYMENTS AND SERVICES

Sec. 100. 2015 Iowa Acts, chapter 137, section 139, subsection 1, as amended by 2016 Iowa Acts, chapter 1139, section 17, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. Notwithstanding [section 8.33](#), moneys corresponding to the state savings resulting from implementation of the federal Fostering Connections to Success and Increasing Adoptions Act of 2008, Pub. L. No. 110-351, and successor legislation, as determined in accordance with 42 U.S.C. §673(a)(8), that remain unencumbered or unobligated at the close of the fiscal year, shall not revert to any fund but shall remain available for the purposes designated in this subsection until expended. The amount of such savings and any corresponding funds remaining at the close of the fiscal year shall be determined separately and any changes in either amount between fiscal years shall not result in an unfunded need.

DECATEGORIZATION

Sec. 101. DECATEGORIZATION CARRYOVER FUNDING — TRANSFER TO MEDICAID PROGRAM. Notwithstanding [section 232.188, subsection 5](#), paragraph “b”, any state appropriated moneys in the funding pool that remained unencumbered or unobligated at the close of the fiscal year beginning July 1, 2014, and were deemed carryover funding

to remain available for the two succeeding fiscal years that still remain unencumbered or unobligated at the close of the fiscal year beginning July 1, 2016, shall not revert but shall be transferred to the medical assistance program for the fiscal year beginning July 1, 2017.

Sec. 102. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 103. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to July 1, 2016.

DIVISION XXV

NONPARTICIPATING PROVIDER REIMBURSEMENT FUND AND IOWACARE ACCOUNT — BALANCES — REVERSIONS

Sec. 104. NONPARTICIPATING PROVIDER REIMBURSEMENT FUND AND IOWACARE ACCOUNT — AVAILABILITY — REVERSIONS. Notwithstanding any provision of law to the contrary, for the fiscal year beginning July 1, 2016, and ending June 30, 2017, there is appropriated from the IowaCare account established in [section 249J.24, Code 2013](#), and the nonparticipating provider reimbursement fund established in [section 249J.24A, Code 2013](#), to the department of human services medical assistance appropriation in this 2017 Act any unencumbered or unobligated moneys from the account and fund to be used for the purposes of the IowaCare account as provided in [section 249J.24, Code 2013](#). Notwithstanding [section 8.33](#), moneys appropriated in this section that remain unencumbered or unobligated at the close of a fiscal year shall not revert but shall remain available for expenditure for the purposes designated until expended.

Sec. 105. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXVI

HOSPITAL HEALTH CARE ACCESS ASSESSMENT PROGRAM — REPEAL

Sec. 106. Section 249M.5, Code 2017, is amended to read as follows:

249M.5 Future repeal.

[This chapter](#) is repealed July 1, ~~2017~~ 2019.

Sec. 107. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXVII

CUSTODIAL CARE

Sec. 108. Section 249.12, Code 2017, is amended to read as follows:

249.12 Cost-related system.

1. In order to assure that the necessary data is available to aid the general assembly to determine appropriate funding for the custodial care program, the department of human services shall develop a cost-related system for financial supplementation to individuals who need custodial care and who have insufficient resources to purchase the care needed.

2. All privately operated licensed custodial facilities in Iowa shall cooperate with the department of human services to develop the cost-related plan. ~~After the plan is implemented, state supplemental funds shall not be used for the care of any individual in facilities that have not submitted cost statements to the department of human services.~~

3. Beginning July 1, 2017, privately operated licensed custodial facilities in Iowa shall be reimbursed based on the maximum per diem rates established by the general assembly through the appropriations process.

DIVISION XXVIII
JUVENILE BEDS CAP

Sec. 109. Section 232.142, subsection 5, Code 2017, is amended to read as follows:

5. The director shall approve annually all such homes established and maintained under the provisions of [this chapter](#). A home shall not be approved unless it complies with minimal rules and standards adopted by the director and has been inspected by the department of inspections and appeals. The statewide number of beds in the homes approved by the director shall not exceed two hundred ~~sixty-two~~ seventy-two beds beginning July 1, 2017.

DIVISION XXIX
TRANSFERS OF FUNDS BETWEEN DHS INSTITUTIONS

Sec. 110. Section 218.6, Code 2017, is amended to read as follows:

218.6 Transfer of appropriations made to institutions.

Notwithstanding [section 8.39, subsection 1](#), without the prior written consent and approval of the governor and the director of the department of management, the director of human services may transfer funds between the appropriations made for the ~~same type of institution institutions~~, listed as follows:

1. The state resource centers.
2. The state mental health institutes.
3. The state ~~juvenile institutions consisting of the state training school and the Iowa juvenile home~~.
4. The civil commitment unit for sexual offenders.

DIVISION XXX
PELVIC EXAMS — PRIOR CONSENT

Sec. 111. NEW SECTION. 147.114 Prior informed consent relative to pelvic examinations — patient under anesthesia or unconscious — penalties.

1. A person licensed or certified to practice a profession, or a student undertaking a course of instruction or participating in a clinical training or residency program for a profession, shall not perform a pelvic examination on an anesthetized or unconscious patient unless one of the following conditions is met:

a. The patient or the patient's authorized representative provides prior written informed consent to the pelvic examination, and the pelvic examination is necessary for preventive, diagnostic, or treatment purposes.

b. The patient or the patient's authorized representative has provided prior written informed consent to a surgical procedure or diagnostic examination to be performed on the patient, and the performance of a pelvic examination is within the scope of care ordered for that surgical procedure or diagnostic examination.

c. The patient is unconscious and incapable of providing prior informed consent, and the pelvic examination is necessary for diagnostic or treatment purposes.

d. A court has ordered the performance of the pelvic examination for the purposes of collection of evidence.

2. A person who violates [this section](#) is subject to the penalty specified under [section 147.86](#), and any professional disciplinary provisions, as applicable.

DIVISION XXXI
NON-STATE GOVERNMENT-OWNED NURSING FACILITY UPPER PAYMENT LIMIT
ALTERNATIVE PAYMENT PROGRAM

Sec. 112. 2016 Iowa Acts, chapter 1139, section 81, is amended by striking the section, and inserting in lieu thereof the following:

SEC. 81. [Section 249L.2, subsection 6, Code 2016](#), is amended to read as follows:

6. "Nursing facility" means a licensed nursing facility as defined in [section 135C.1](#) that is a freestanding facility or a nursing facility operated by a hospital licensed pursuant to [chapter 135B](#), but does not include a distinct-part skilled nursing unit or a swing-bed unit

operated by a hospital, or a nursing facility owned by the state or federal government or other governmental unit. "Nursing facility" includes a non-state government-owned nursing facility if the nursing facility participates in the non-state government-owned nursing facility upper payment limit alternative payment program.

Sec. 113. 2016 Iowa Acts, chapter 1139, section 82, is amended to read as follows:

SEC. 82. NON-STATE GOVERNMENT-OWNED NURSING FACILITY UPPER PAYMENT LIMIT SUPPLEMENTAL ALTERNATIVE PAYMENT PROGRAM.

1. The department of human services shall submit, to the centers for Medicare and Medicaid services (CMS) of the United States department of health and human services no later than September 29, 2017, a Medicaid state plan amendment to allow qualifying non-state government-owned nursing facilities to receive a supplemental participate in an alternative payment program in accordance with the upper payment limit requirements pursuant to 42 C.F.R. §447.272. The supplemental alternative payment shall be in addition to the greater of the payment in accordance with the upper payment limit requirements pursuant to 42 C.F.R. §447.272 or the Medicaid fee-for-service per diem reimbursement rate or the per diem payment established for the nursing facility under a Medicaid managed care contract.

2. At a minimum, the Medicaid state plan amendment shall provide for all of the following:

a. A non-state governmental entity shall provide the state share of the difference between the expected supplemental alternative payment and the Medicaid fee-for-service per diem reimbursement rate in the form of an intergovernmental transfer to the state.

b. The state shall claim federal matching funds and shall make supplemental alternative payments to eligible non-state governmental entities based on the supplemental alternative payment amount as calculated by the state for each nursing facility for which a non-state governmental entity owns the nursing facility's license. A managed care contractor shall not retain any portion of the supplemental alternative payment, but shall treat the supplemental difference between the expected alternative payment and the Medicaid fee-for-service per diem reimbursement rate as a pass through component of the capitated payment calculation to the eligible non-state governmental entity.

c. The supplemental alternative payment program shall be budget neutral to the state. No general fund revenue shall be expended under the program including for costs of administration. If payments under the program result in overpayment to a nursing facility, or if CMS disallows federal participation related to a nursing facility's receipt or use of supplemental alternative payments authorized under the program, the state may recoup an amount equivalent to the amount of supplemental alternative payments overpaid or disallowed. Supplemental Alternative payments shall be subject to any adjustment for payments made in error, including but not limited to adjustments made by state or federal law, and the state may recoup an amount equivalent to any such adjustment.

d. A nursing facility participating in the program shall notify the state of any changes in ownership that may affect the nursing facility's continued eligibility for the program within thirty days of any such change.

e. No portion of the supplemental alternative payment paid to a participating nursing facility may be used for contingent fees. Expenditures for development fees, legal fees, or consulting fees shall not exceed five percent of the supplemental alternative funds received, annually, and any such expenditures shall be reported to the department of human services, and included in the department's annual report pursuant to subsection 3.

f. The supplemental alternative payment paid to a participating nursing facility shall only be used as specified in state and federal law. Supplemental Alternative payments paid to a participating nursing facility shall only be used as follows:

(1) A portion of the amount received may be used for nursing facility quality improvement initiatives including but not limited to educational scholarships and nonmandatory training. Priority in the awarding of contracts for such training shall be for Iowa-based organizations.

(2) A portion of the amount received may be used for nursing facility remodeling or renovation. Priority in the awarding of contracts for such remodeling or renovations shall be for Iowa-based organizations and skilled laborers.

(3) A portion of the amount received may be used for health information technology infrastructure and software. Priority in the awarding of contracts for such health information technology infrastructure and software shall be for Iowa-based organizations.

(4) A portion of the amount received may be used for endowments to offset costs associated with maintenance of hospitals licensed under [chapter 135B](#) and nursing facilities licensed under [chapter 135C](#).

g. A non-state governmental entity shall only be eligible for ~~supplemental~~ alternative payments attributable to up to 10 percent of the potential non-state government-owned nursing facilities licensed in the state.

3. Following receipt of approval and implementation of the program, the department shall submit a report to the governor and the general assembly, annually, on or before December 15, regarding the program. The report shall include, at a minimum, the name and location of participating non-state governmental entities and the non-state government-owned nursing facilities with which the non-state governmental entities have partnered to participate in the program; the amount of the matching funds provided by each non-state governmental entity; the net ~~supplemental payment amount~~ difference between the expected alternative payment and the Medicaid fee-for-service per diem reimbursement rate received by each participating non-governmental entity and non-state government-owned nursing facility; and the amount expended for each of the specified categories of approved expenditure.

4. The department of human services shall work collaboratively with representatives of nursing facilities, hospitals, and other affected stakeholders in adopting administrative rules, and in implementing and administering this program.

5. As used in this section:

a. “Non-state governmental entity” means a hospital authority, hospital district, health care district, city, or county.

b. “Non-state government-owned nursing facility” means a nursing facility owned or operated by a non-state governmental entity for which a non-state governmental entity holds the nursing facility’s license and is party to the nursing facility’s Medicaid contract.

Sec. 114. 2016 Iowa Acts, chapter 1139, section 84, subsection 1, is amended to read as follows:

1. The section of this division of this Act directing the department of human services to submit a Medicaid state plan amendment to CMS no later than September 29, 2017, shall be implemented as soon as possible following enactment, consistent with all applicable federal requirements.

Sec. 115. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 116. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to May 27, 2016.

DIVISION XXXII LEGISLATIVE INTERIM — OPIOID EPIDEMIC EVALUATION

Sec. 117. LEGISLATIVE INTERIM STUDY COMMITTEE — OPIOID EPIDEMIC EVALUATION.

1. The legislative council is requested to establish an interim study committee to comprehensively evaluate the state’s response to the opioid epidemic in the state.

2. The committee shall receive input from agencies and entities including but not limited to all of the following:

a. Representatives of the professional licensing boards for professionals authorized to prescribe controlled substances.

b. Representatives of public safety and public health including but not limited to the office of the state medical examiner, the division of criminal investigation of the department of public safety, the department of corrections and community-based corrections, law enforcement agencies, the governor’s office of drug control policy, and the department of public health.

c. Representatives of the medical community and health insurance payers including but not limited to the Iowa hospital association, the Iowa medical society, the Iowa osteopathic medical society, the Iowa pharmacy association, and America's health insurance plans.

d. Consumers and representatives of consumers including but not limited to the Iowa substance abuse information center, the Iowa prescription abuse reduction task force, and addiction treatment centers in the state.

3. The interim committee's evaluation shall include but is not limited to a review of the protocols and practices relating to the prescribing of opioid medications and the treatment options available including medication-assisted treatment.

4. The interim committee shall submit a report, including findings and recommendations, to the governor and the general assembly by November 15, 2017.

Approved May 12, 2017, with exceptions noted.

TERRY E. BRANSTAD, *Governor*

Dear Mr. Secretary:

I hereby transmit House File 653, an Act relating to appropriations for health and human services and veterans and including other related provisions and appropriations, and including effective date and retroactive and other applicability date provisions.

House File 653 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Division IV, Section 4, subsection 2, lettered paragraph c, in its entirety. This item creates a redundant, overly burdensome mandate requiring the Iowa Veterans Home to make expenditure reports monthly to the Legislative Services Agency for fiscal year 2018. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the item designated as Division V, Section 12, numbered paragraph 21, in its entirety. This item requires the Department of Human Services to report on cost containment strategies. The Department of Human Services, Department of Management and the Legislative Services Agency meet at least on a quarterly basis to determine projections for the Medical Assistance appropriation. Information relating to cost containment strategies is shared during these meetings. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the item designated as Division V, Section 12, numbered paragraph 22, in its entirety. This item requires the Department of Human Services (DHS) to report on process improvement changes. DHS, the Department of Management and the Legislative Services Agency meet at least on a quarterly basis to determine projections for the Medical Assistance appropriation. Information relating to process improvement changes is shared during these meetings. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the designated portion of the item designated as Division V, Section 13, numbered paragraph 5, lettered paragraph a, in its entirety. This item provides \$202,000 to Drake University to establish remote learning sites and maximize outreach and enrollment in its master's program in applied behavioral analysis. The effect of this disapproval shall cause the \$202,000 contained in this item to revert to the General Fund. The Department of Education has already awarded public funding to Drake University, a private university,

for the establishment of a master's program in applied behavioral analysis. In addition, the Iowa Department of Public Health already administers a board-certified behavior analyst and board-certified assistant behavior analyst grants program. Therefore, this item is redundant and unnecessary.

I am unable to approve the item designated as Division V, Section 27, numbered paragraph 1, in its entirety. This item requires the Department of Human Services to report operational and program expenditures at least monthly to the Legislative Services Agency. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the designated portion of the item designated as Division V, Section 27, subsection 7, in its entirety. This item provides \$200,000 for DHS to expand internet training to additional providers. Provider associations already conduct training opportunities for providers and the department provides assistance as necessary. In addition, I did not recommend this item in my budget recommendations. Therefore, this item is redundant and unnecessary.

I am unable to approve the item designated as Division V, Section 31, subsection 1.a., numbered paragraph 1, lettered paragraph d, in its entirety. Iowa modernized its administration of Medicaid by partnering with specialized, patient-centered health plans. This bipartisan initiative was implemented on April 1, 2016. The provider reimbursement rate floors issued by DHS already include protections for providers and their reimbursement. This legislation already provides for additional appropriations for case-mix nursing facility rates effective July 1, 2017. This item is redundant and unnecessary.

I am unable to approve the item designated as Division V, Section 31, subsection 1.a., numbered paragraph 3, in its entirety. Iowa has modernized its administration of Medicaid by partnering with specialized, patient-centered health care plans. This bipartisan initiative was implemented on April 1, 2016. The provider reimbursement rate floors issued by the Department of Human Services already include protections for providers and their reimbursement. Therefore, restrictions in this item are redundant and unnecessary.

I am unable to approve the item designated as Division V, Section 31, subsection 12, lettered paragraph b, in its entirety. Iowa has modernized its administration of Medicaid by partnering with specialized, patient-centered health care plans. This bipartisan initiative was implemented on April 1, 2016. The provider reimbursement rate floors issued by the Department of Human Services already include protections for providers and their reimbursement. Therefore, restrictions in this item are redundant and unnecessary.

I am unable to approve the designated portion of the item designated as Division X, Section 43, subsection 2, lettered paragraph c, in its entirety. This item creates a redundant, overly burdensome mandate requiring the Iowa Veterans Home to make expenditure reports monthly to the Legislative Services Agency for fiscal year 2019. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the designated portion of the item designated as Division XI, Section 51, numbered paragraph 20, in its entirety. This item requires the Department of Human Services to report on cost containment strategies. The Department of Human Services, Department of Management and the Legislative Services Agency meet at least on a quarterly basis to determine projections for the Medical Assistance appropriation. Information relating to cost containment strategies is shared during these meetings. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the designated portion of the item designated as Division XI, Section 51, numbered paragraph 21, in its entirety. This item requires the Department of

Human Services (DHS) to report on process improvement changes. DHS, the Department of Management and the Legislative Services Agency meet at least on a quarterly basis to determine projections for the Medical Assistance appropriation. Information relating to process improvement changes is shared during these meetings. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the designated portion of the item designated as Division XI, Section 66, numbered paragraph 1, in its entirety. This item requires the Department of Human Services to report operational and program expenditures at least monthly to the Legislative Services Agency. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the item designated as Division XI, Section 66, subsection 6, in its entirety. This item provides \$100,000 for DHS to expand internet training to additional providers. Provider associations already conduct training opportunities for providers and the department provides assistance as necessary. In addition, I did not recommend this item in my budget recommendations. Therefore, this item is redundant and unnecessary.

I am unable to approve the item designated as Division XI, Section 70, subsection 12, lettered paragraph b, in its entirety. Iowa has modernized its administration of Medicaid by partnering with specialized, patient-centered health care plans. This bipartisan initiative was implemented on April 1, 2016. The provider reimbursement rate floors issued by the Department of Human Services already include protections for providers and their reimbursement. Therefore, restrictions in this item are redundant and unnecessary.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 653 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*